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D 8523 B

NEWS SUMMARY

W. L. Corners

Calvi was Scottish killed, suggests Craxi open

Italian Prime Minister Bettino Cra- SCOTT LITHGOW, the British xi appears to have endorsed the theory that Robert Calvi, the chairman of the collapsed Banco Ambro-siano Group, who was found dead under London's Blackfriars Bridge,

Sig Craxi told the commission investigating the banned P-2 freema-sons' lodge that be thought Sr Cal-vi's death could probably be traced to criminals connected with the

Sig Craxi also said he did not think Sig Licio Gelli, who escaped from a Swiss jail last year was the lodge's head. Page 14

Macmillan an earl

Former British Cooservative Prime Minister Harold Macmillan bas been made an earl to coincide with his 90th birthday today. The Earldom is hereditary and is the first created for 21 years.

Dutch job losses

Dutch unemployment, which now stands at 860,000 or 17.8 per ceot of the workforce, will pass the million mark next year according to the state-sponsored Central Planning

Space shuttle delay

The U.S. space sbuttle Challenger had its fourth setback when a problem in the craft's robot arm curtailed a free flight by two astronauts using rocket-powered back-

South African denial

South Africa denied a charge by the Mozambican news agency that villages in Mozambique were swept away when South Africa opened an overflowing dam during last week's cyclone.

Flooding threat

Dutch army units reinforced the banks of the River Maas, which is in spate near the south Netherlands town of Roermond. The rain-swollen Rhine threatened to swamp Cologne's old town.

Avalanche danger

The second section is the second seco

Four people were killed by avalanches in central Switzerland and at least three in Austria. After 80 hours of heavy snowfall there was a high risk of further avalanches.

Red brigades claim

A fire which caused heavy damage to the chemistry department of Milan University was claimed in the name of the Red Brigades, protesting against alleged mistreatment of

Back pay riot

Riot police dispersed 4,000 angry shipyard workers who blocked Lisbon's Tagus Bridge for nearly an bour, demanding payment of back

Belgian expelled

Belgian television journalist Andre Dartevelle said be was expelled from Brazil after police seized film showing emaciated peasants at-tacking a food warehouse in the

drought-strickeo north east. Union ban attacked

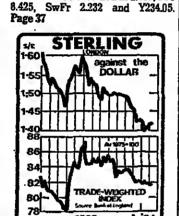
The socialist group at the European Parliament will table a resolution next week condemning the British Government's decision to ban trade union membership at the Cheltenham security centre.

BUSINESS

shipyard bids still

Shipbuilders Clydeside yard, saw its takeover drama move into slowmotion wheo the Government said it was still open to offers from bidders other than the Trafalgar House property group. Workers went on a one-day strike in protest at what they saw as an attempt to force through the bid, which would mean 2,000 redundancies. Page 10

DOLLAR touched a low of DM 2.7265 before closing at DM 2.733 (DM 2.755), ft fell to SwFr 2.219 (SwFr 2.229), FFr 8.404 (FFr 8.4625) and Y233,75 (Y234.1). Its trade-weighted index was 129.8, its lowest this year, and down from 130.4. In New York it closed at DM 2.739, FFr



STERLING benefited from the dol lar's weaker trend to finish at \$1.423, a rise of 1.05c. It eased slightly to DM 3.89 (DM 3.895), but rose to SwFr 3.16 (SwFr 3.15), FFr Lebanese capital yesterday to see if 11:9575 (FFr 11:95) and Y332.75 (Y331), Its trade-weighted Index was 81.7 (81.5). In New York it remnants of the 37,000 strong Lebanese CSL4165 Bare 2019 closed \$1.4165. Page 37

GOLD fell \$2% to \$383% in London. (\$3864) and in Zurich at \$3831. Green Line which divides Christian of the fighters are being sent to the (\$386%). In New York the Comex February settlement was \$378.9 (\$382.3). Page 36

LONDON: the FT Industrial Ordinary Index was 15.4 down at 10am, but railied to close only 3.7 off at 801.3, a fall so far on the week of more than 31 points. Report, Page 31, FT Share Information Service, Pages 32-33

WALL STREET: the Dow Jones Index was 3.56 down at 1152.74 at the close. Report Page 27, full share listings, Pages 28 to 30

TOKYO: the Nikkei Dow Index was off 98.05 at 10,001.54, and the Stock Exchange index was 4.09 up at 779.31. Report Page 27, leading prices, other exchanges, Page 30 AUSTRIA's balance of payments

current account was Sch 1.3hn (\$67.1m) in deficit last year compared with a Sch 7.9bn surplus in

MEXICO has secured subscriptions totalling \$3.2bo to the \$3.8bo loan it is seeking from commercial banks to cover this year's balance of payments, Mr William Rhodes, senior vice presideot of Citibank, has said.

TAIWAN has placed an order worth F1 60m (\$19m) with the Dutch ship-yard, De Schelde. Page 5

BELL RESOURCES, the flourishing investment offshoot of Mr Robert Holmes à Court's Perth-based Bell Group has extended its holding io Brokeo Hill Proprietary, Australia's biggest company, to 8m shares and options, equivalent to about 2.3 per cent of BHP's shares, making Bell BHPs second largest individual shareholder. Page 16

FISONS, the British agrochemicals, pharmaceutical and scientific instruments group, is to huy Curtin Matheson Scientific from the private U.S. company Coulter Elec-tronics for about \$85m. Page 25, Lex, Page 14

CONTENTS -

U.S. underlines intent to Lambsdorff in support Lebanese army

BY STEWART FLEMING IN WASHINGTON AND PATRICK COCKBURN IN BEIRUT

MR Caspar Weinberger, the U.S. Defence Secretary, told Congress yesterday that the U.S. was not leaving Lebanon. He said the heavy shelling of positions in the Syrian-occupied areas of the country was designed to demonstrate cootinued U.S. support for the Lebanese army and to underline that the plan to pull back the marines does oot mean a weakened U.S. commitmeot.

The destroyer U.S.S. Moosbrug-ger unleashed a barrage of shells aimed at targets in Syrian-beld territory east of Beirut last night. "She will fire 150 rounds before she is through," said a U.S. marine

In separate briefings U.S. Administration officials strongly echoed Mr Weioberger's remarks, but continued to leave open the question of bow long the U.S. is to maintain its current military posture.

The Administration bas said only that it was planning to move about one third of the 1,500 marines from their base at the Beirut International Airport over the next three to four weeks and that the complete evacuation of the contingent to the ships of the U.S. Sixth Fleet, standing by off the coast, could take four

BY PATRICK COCKBURN IN BEIRUT

*GIVE ME 24 hours - not longer -

and the streets of West Beirut will be secure," said Mr Nabih Berri,

leader of the Lebanese Shia com-

munity and the iostigator of last

Monday's insurrection in West Bei-

People were still waiting in the

nese army will in fact accept defeat.

leaders of the Amal paramilitary

movement, which carried out the

rebellion, said yesterday that the

army high command bas lost con-

trol of its remaining troops, but they were concerned that individual

brigade commanders might attack

Mr Berri explained, as he sat in

iog, that be intended to get his mi-

his office 500 yards from the fight- 1969.

or shell Moslem areas.

Two brigades with tanks, the fifth

rut which has led to the decision to

withdraw the multinational force.

that the timing was not yet fixed. The decision to phase it over mooths was a conscious move aimed at avoiding the impression that the U.S. was "cutting and run-

ning" from Lebanon.
"We could pull them out in 24 hours if we wanted to," the official said, adding that a decision could also be taken to send marines back

Administration officials suggested yesterday that the U.S. was determined to use the military power at its disposal to try to bring about a political solution to civil war.

The decisioo to permit U.S. forces to fire freely into Syrian-occupied areas of the country is being presented in part as designed to pro-tect U.S. and European military personnel in greater Beirut, but also to dissuade Syria from continuing to use its diplomatic and military power to block a political com-

The official pointed out that after the battering the U.S. guns gave positions in Syrian occupied Lebanon on Tuesday. "There has been no fir-ing from there today."

He added that U.S. reconnais-

rut and restore some oormality.

Twice bis words were punctured by

the harsh crash of an army firing a

The Amal movement clearly in-

tends to put the blame for any fur-

ther fighting on the army and Presi-

dent Gemayel. They are also eager not to provoke the U.S. marines be-

fore they depart, and to assure the

inbabitants of West Beirut that the

new authorities are more sympa-

thetic than Mr Gemayel's regime.

Barricades are being removed, the

Gendarmerle is being sent ioto the

ft appears that Amal is being suc-

cessful. There have been no more

attacks on liquor stores or comman-

deering of private vehicles for un-

disclosed revolutionary purposes.

Mr Berri compares the excesses in

the first bours after the takeover of West Beirut with the impact of the

electricity blackout in New York in

Despite this low profile, Amal

high-velocity round.

Shia leader to 'restore order'

litamen off the streets of West Bei- and the Shia militiamen who sup-

One official stressed yesterday territory had not been fired on eith- said that most of his men had been

"Somebody clearly understands that there is a slightly different mil-itary balance," the official added.

The evacuation of foreign residents is planned by several embas-sies. In addition to the British oationals scheduled to leave today, it is believed that Americans will also be evacuated. UK citizens are to be carried by helicopter to the port of Jounie corth of Beirut.

The hattleship New Jersey, which fired more than 250 rounds on Wedoesday, was silent yesterday and there was only scattered shelling of East Beirut.

A Druze leader passing through the area which had been shelled said that an entire village was wiped out and civilian casualties were heavy.

The Druze and the Shia, in addition to their Syrian backers, are oot reacting militarily to the shelling by the U.S. Navy, believing that President Reagan is trying to save face after announcing the marines' with-

In a bid to restore calm Mr Nabih Berri, Leader of the Shia miliba Amal, which took over the west of sance flights over Syrian-occupied the city from the army on Monday,

port it oow control two thirds of

Belrut. The insurrection had been

spectacularily successful, Dr Sam

Seolani, who bas the curious dis-

tinction for an Amal leader of being a U.S. citizeo, says that President

Amin Gemayel controls little more

ft may be premature to write off

Gemayel so completely, but be bas done almost nothing over the last week as power has ebbed away

from his regime. His army never controlled the Shia stronghold of

south Beirut, and on Monday be

guered ever since the Israeli with-

drawal from the Chouf Mountains

last September left Beirut block-

aded and almost besieged by Presi-

deot Gemayel's enemies. The coup

de grace came more quickly than

anybody expected. In the morning

of February 2 an Amal member was

killed by an army sniper. Amal mili-

tiamen responded by taking over a

well-known army position at St Mi- do with President Gemayel.

The Government has been belea-

than his presidential palace.

withdrawn from the streets.

ENERSITY OF JORDAN

LIBRARY

He said his aim was to restore or der and security. He guaranteed the safety of foreigners, foreign embassies and said be hoped to see the airport, university and schools reopeoed in the near future.

Shia and Druze leaders do not rule out a military counter-attack by the army units still loyal to President Amio Gemayel, though this must be decreasingly likely. Gencome involved in further fighting.

In West Beirut the withdrawal of the militiamen from the streets has reduced tension and some shops were open yesterday. Queues of people waited to buy bread and many shoppers are buying supplies in case the crisis worsens.

Mr Berri said yesterday that be beld President Gemayel responsible for the deaths of the people killed wheo the army used beavy artillery against south and west Beirut. He said be considered President Gemayel "a murderer, a modem Nero.

Unifil force eyes Beirut vacuum, Page 4; Editorial Comment, Page 12

South Beirut. The hospitals filled

with killed and injured. Last Satur-

day Mr Berri called for the army

units to stop obeying President Gemayel and for Mr Chafik Al-Waz-

zan, the Prime Minister, to resign.

signed on Sunday, and at the same

time the army tried to move a loyal

brigade into West Beirut. Dr Sebla-

ni says he telephoned the army

al would fight.

men poured into the streets frater-

This indiscriminate use of artillery

now makes it difficult for any Mos-

lem politician to have anything to

The Wazzan government re-

fierce attack on bribe claim

BY JAMES BUCHAN IN BONN

COUNT Otto Lambsdorff, the West that Count Lambsdorff received German Economics Minister ac- DM 135,000 io all, which the prose-Flick industrial group, yesterday his approval of the tax-free invest-sprang oo to the offensive with a ment of capital gains by the compafierce rebuttal of the public prose-

trified a packed parliameotary committee of inquiry, Count Lambs-dorff made sbarp and detailed attacks on the indictment banded him said that the indictment suggested by the Bono public prosecutor last at another point that cash had been December. Although Count Lambsdorff denied that be was quoting

July 9 1980 - a day when he hapfrom the document which is illegal
pened to be in Tokyo representing from the document, which is illegal

in Germany, eveo friends were as-tounded at his audacity. Chancellor Helmut Kohl has said that Count Lambsdorff must resign if a Bonn court this spring decides to proceed against him oo the charges that cash gifts from Flick could have influenced bis approval of tax exemptions for the concern.

In a cool and deliberate attempt to discredit the indictment, Count Lambsdorff gave a detailed alibi or other rebuttal for each of the four occasions in 1977 and 1980 when he is accused of taking cash from Flick come to different conclusions deofficials. The public prosecutor says

cused of taking bribes from the cutor alleges might have influeoced

see' stance, Page 4

One meeting with Flick managcutor's indictment. One meeting with Flick manag-fn a 25-minute outhurst that elec-ers at which the indictment suggested cash could have changed hands simply did not take place. Count Lambsdorff said. He also withdrawn for payment to bim on the Bonn Government at the funeral of Masayoshi Ohira, the Japanese Prime Minister.

Count Lambsdorf said he had received permission from Herr Hans Matthofer, the Social Democrat Finance Minister who also approved the exemptions, to quote before the committee his own meetings with Flick managers at a time when Flick documents showed cash sums against his name. The investigation of Herr Matthöfer was broken off. *How did the public prosecutor

Continued on Page 14

Democrats insist on defence cuts

BY STEWART FLEMING IN WASHINGTON

As fighting spread, the Lebanese army used its beavy artillery to bombard the Shia strongbolds in terday that they would not be willing to take part in discussions about cutting U.S. federal budget deficits unless President Ronald Reagan agreed to discuss reducing defence spending.

Senate majority leader Mr Rob-ert Byrd of West Virginia said the next meeting of the group, proposed by the Administration for next week, could occur only after "the Administration submits to us 48 hours in advance specific areas of the Pentagon budget which it is command at midnight to say that Amal knew of this plan, and to say willing to cut."

On Monday morning the militia-He added that he was speaking oo bebalf of Representative Jim nising with or, where opposed, fighting the army. By nightfall most of West Beirut was lo their hands. The army responded with a ferocious bombardmeot of civilian areas in the west of the capital. The Democrats' statement under-

lines their suspicions that they are being drawn into a situaboo in which they will find themselves

DEMOCRATIC leaders warned yes- baving to share the blame for the area, one part of the budget where

Wright and Senator Daniel loouye. They atteoded the first meeting of the working group of Administration and Congress members which earlier this week discussed a deli-cit-cutting downpayment."

budget deficits with the Adminisft also reflects their fears that the Administration is not willing to make serious cuts in the defence

they believe hig savings are possi-Meanwhile, Mr Paul Volcker, Federal Reserve Bank chairman, yesterday offered soothing words to Wall Street. He said he felt that the unease on the economy's future

"may be overdone." He added that his warning about the dangers of recession some time io the future if deficits were not cootrolled was "overblown" by the

But he reiterated his fears about federal oudget deficits and said that

"there is increasing concern" over the stability of the dollar. Debt rescheduling terms

improve, Page 6

GEC leads call for inquiry into Colombian rail contract

BY ROBERT GRAHAM, LATIN AMERICA EDITOR, IN LONDON A BRITISH-WEST GERMAN con- \$322m oil pipeline contract in Su- cent less than the winner, had

East Beirut from West Beirut. The battle line which divides the city.

way io which a \$630m contract was

A letter from the consortium has been sent to Sr Betancur complaining of irregularities in the award last November to a group of West German and Spanish companies. Similar protests were sent by a French group led by Francorail, and Spanish-East German consor-The protests bave been sufficient-

ly strong to oblige Presideot Betan-cur to refer the matter to the country's Attorney-General. A spokesman for GEC Tractico, the subsidiary directly involved in the bid, said yesterday that the con-

sortium was confident that the contract would be reconsidered. tests io this manner. The only recent instance was the award of a

sortium, headed by GEC, has protested strongly to President Belisario Betancur of Colombia over the were made by disappointed Dutch strong British Government barking. The British Government was prepared to offer up to £50m (\$70m) and French bidders both to the Suawarded for a public transport sys- danese Government and to the Intem in Colombia's second city, Me- ternational Finance Corporation in Washington.

> The Medellin metropolitan railway system, consisting of a 24 km north-south line and a 5 km eastwest line, is Colombia's first modern public transport venture. It was keenly contested by 11 consortia, conscious that Colombia also has plans for a secood public transport system in the capital, Bogota.

The winning coosorrium, whose members are Entrecanales of Spain, and MAN and Siemens of West Germany, put in a bid which was considerably higher than others, including that of GEC. GEC said yesterday they were convinced their bid was more competitive, and investigated.

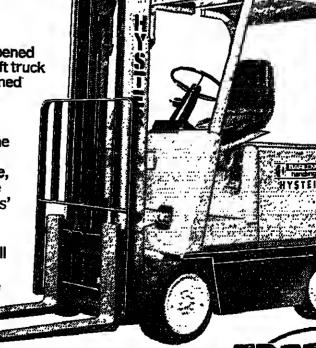
worth of aid from the £1bn Aid and Trade Provisioo of its budget. Shortage of work for GEC Tractico in this area bad placed a premium oo gaining the contract. Within Colombia the contract bas

aroused cootroversy and has been criticised as an unnecessary diver-sion of scarce resources at a time of recessioo. However, Presideot Betancur, who is a oative of the Medellin area, is publicly committed to going with the project. Any change io the contract could prove highly embarrassing.

Furthermore, delays in proceed-ing with the contract could affect Colombia's international borrowing plans for 1984. Within the next two months a group of West German banks was expected to lend \$200m It is highly unusual for disap-that the way in which the contract for the project. This sum would ac-pointed bidders to make formal pro-was granted should be thoroughly count for nearly 20 per ceot of Convestigated. lcmbia's borrowing requirements
The GEC consortium bid, 9 per from commercial banks.

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EEC budget: what happens Lex: Imperial; Lonrho; Lon-

Israel: reassessing the 'wait Lombard: the perils of law

David Lascelles reports from Tokyo on a grudging concession to U.S. pressure

Japan keeps firm grip on Euroyen market

But sceptics here expect the move to be so hedged about with regulations that it will make little or no difference. Some ocople have even denounced it as a simmick to distract attention from the much more urgent task of dismaniling Japan's rigid domestic interest

Japan's rigid domestic interest rate structure.

Al the summit between President Reagan and Prime Minister Nakasone in Tokyo last November, Japao agreed to allow domestic borrowers to tap the offshore yen market, which has been used exclusively by non-Japanese borrowers, and then only official institutions like the World Baok which meet the Japanese Ministry of Finance's strict credit standards.

Includes tolerating a bigger market in its currency overseas. But the surrency overseas. But the Bank of Japan harbours serious misgivings about the Euroyen market. The decision to open it up was apparently taken by the Finance Ministry. But this back. Even the Ministry is divided.

Officially, the Government is drawing up guidelines for the market: who should be allowed in the Netherlands Antilles—ia market: who should be allowed in the Netherlands Antilles—ia under study but is not likely to use it, and on what terms, but this is to some extent a show of activity for the purposes of the meeting in a couple of the market in its currency overseas. But the Bank of Japan harbours on Eurobonds from Japan's 20 per cent withholding tax, which means they will have oo appeal to investors in the Euromarkets. The obvious way round this—allowing Japanese companies to set up offishore finance subsidiation in the Netherlands Antilles—ia market: who should be allowed in the currency overseas.

The tax authorities are refusing to exempt Interest payments on Eurobonds from Japan's 20 per cent withholding tax, which means they will have oo appeal to investors in the Euromarkets. The obvious way round this—allowing Japanese companies to set up offishore finance subsidiation in the Netherlands Antilles—ia market: who should be allowed in the companies to set up offishore finance subsidiation in the Netherlands Antilles—ia market: who should be allowed in the companies to set up offishore finance subsidiation in the Netherlands Antilles—ia market: who should be allowed in the companies to set up offishore finance subsidiation in the neth

The Bank of Japan estimates weeks time between the U.S. Nomura Securities, the largest

the yen should be allowed to play a larger international role, in line with Japan's standing on the world trade scene. This includes tolerating a bigger market in its currency overseas. But the Bank of Japan harbours serious missing the serious serious missing serious acceptance of the serious standard to Japan's 20 the Euroyeo hand market to Japan's 10pt to to Japan's 1

under intense pressure from the U.S.—reluctaotly accepted that limit access to the Euroyeo

come alive. It could have a raised nearly half their total major impact on Japan's domestic corporate bond market. According to Mr Yamada at which is another reason why it Nomura, this is because they are tic corporate bond market. which is another reason why to is being bandled with caution. which is another reason why it is being bandled with causion. Being much less tightly regulated, hence cheaper, the European market would be highly atractive. A major difference would be the absence of Japan's traditional requirement that bond issues be backed by collateral. Commercial banks, which usually collect fees for acting as Itustees of the collaries.

ENI boosts Ecu loan

BY PETER MONTAGNON, EUROMARKETS

CORRESPONDENT, IN LONDON

the loan it is raising in the Euro dollars.

ropean currency units, the currency is similar.

hasket of the European Communi-

ty, was too thin to fund large Euro-

in response to demand

ENTE Nazionale Idrocarburi (ENI), especially those from Italy and Italy's state energy conglomerate, France which are seeking to diver-

has asked its bankers to increase sify away from borrowings to U.S.

markets to Ecu 450m from Ecu But bankers are still cautious 250m because of very heavy oversubscription.

But bankers are still cautious about the scope for a series of large Ecu credits. Sweden's £500m credits.

The loan has attracted 31 lead last year revealed unexpected

Its success is likely to attract tutions, with a relatively small com-

April 1, Japan is due to throw open the near-dormant Euroyen bond market, fulfilling part of its pledge to the U.S. to internationalise use of its currency. But sceptics here expect the use of its currency. But sceptics here expect the use of its currency. But sceptics here expect the use of its currency. But sceptics here expect the use of its currency. But sceptics here expect the use of its currency. But sceptics here expect the use of its currency. But sceptics here expect the use of its currency. The Nakasooe Government— move to be so hedged about the size of the market at about the equivalent of \$30hm, a fraction of the tritition dollar on its summit promises. The same underwriding firm, the market opened up. They said yesterday: "Until the tax are already turning increasingly said yesterday: "Until the tax are already turning increasingly on its summit promises. The said yesterday: "Until the tax are already turning increasingly on its summit promises. The said yesterday: "Until the tax are already turning increasingly on its summit promises. The said yesterday: "Until the tax are already turning increasingly on its summit promises. The said yesterday: "Until the tax are already turning increasingly on its summit promises. The summit promises. The said yesterday: "Until the tax are already turning increasingly on its summit promises. The said yesterday: "Until the tax are already turning increasingly on its summit promises. The said yesterday: "Until the tax are already turning increasingly on its summit promises. The said yesterday: "Until the tax are already turning increasingly on its summit promises. The said yesterday: "Until the tax are already turning increasingly on its summit promises. The said yesterday: "Until the tax are already turning increasingly on its summit promises. The said yesterday: "Until the tax are already turning increasi

acting as trustees of the collists business in alternatives like currency swaps (raising money in another currency and swapping it into ven) and in the little of the collisis business in alternatives like currency swaps (raising money in another currency and swapping it into ven) and in the collisis of the collisis business in alternatives like currency swaps (raising money in another currency and swapping it into ven) and in the collisis business in alternatives like currency swaps (raising money in another currency and swapping it into ven). This has made them hostile to the plan, particularly stoce bonds that are denominated in Japan's Glass-Steagall-type bank laws prevent them from underwriting securities issues. Japanese corporate treasurers, get round the problem."

A feature of the ENI deal is that

many of the lead managers are

U.S., Japanese and Canadian insti-

nating group - Bank of Tokyo, Chase Manhattan, Industrial Bank

of Japan, Lloyds Bank International and Morgan Guaranty - bas been joined by a further 22 lead manag-

The lead group has been assen bled in only a week despite the Chi-

oese new year boliday in Hong

above Loodon Eurodollar rates. while the other totalling \$150cc car ries an 0.2 per cent margin over U.S. prime.

BHF Bank bond average

1983-84

Previou 98.743

10w 97.699

Apptralia 8% 92 E.L.B. 9% 92

It is an eight-year cre into two tranches. One totalling 5450m bears interest at % per cen

Koog.

Feb 9 98.831

High 102.017

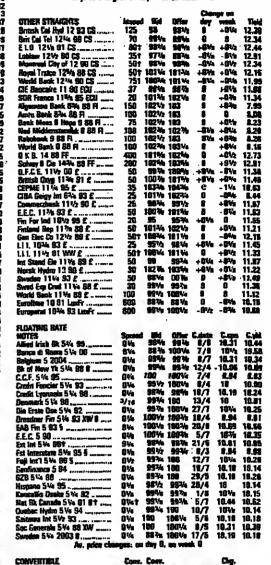
FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for February 9.

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|--|--|--|---|---|--|--|
| Australia Comm 1114 90 | 190 | 180V | t 100% | 0 | -84 | 11.11 |
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| ONC. 1124 91 XW | 50 | 957 | | -87/2 | -81/4 | |
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| E.E.C. 12 93 | | | | | | |
| E.I.B. 1074 93 | 200 | 924 | | -01/6 | -844 | 12.12 |
| E18.1142 90 | 200 | 87v: | | -9% | -9% | 12.07 |
| Eksportfoxans ttVz 90 | 100 | 8874 | 07% | - 072 | -0-/* | 12.1Z |
| Bectrolux 101/2 90 | 50 | 924 | 53% | 0 | -84 | 12.15 |
| SMAC 0/S Fin 11% 90 | 100 | | 100 | -872 | 8 | 11.49 |
| IC Indust Fin 117/n 88 | 75 | 98 V2 | | Ŏ. | +0% | 12.35 |
| | tÖÖ | 994 | | -8Ve | -84 | 11,96 |
| Indust Bk Japan 113's 91 | | | | | | |
| ITT Finance 11 1/7 89 WW | 125 | 954 | | -6Va | -044 | 11.88 |
| Japon Air Lines 10% 99 | 42 | 92% | | -01/6 | +87/1 | 11.88 |
| Japan Ar Lines 11 93 | 75 | 95Vz | 9574 | 9 | -844 | 11.77 |
| J.C. Penney 117/2 90 | 100 | 100% | 1501/4 | 0 | Q | 11.70 |
| J P Morgan 1 (24s 90 WW | 150 | 38% | | -81/2 | -814 | 11.59 |
| Levi Strauss let 11 00 | 75 | 88 1/4 | | -01/4 | -Gta | 11.53 |
| | 100 | 93% | | -01- | +8% | 12.13 |
| LT.C.B. 1034 99 | | | | | | |
| LT C.B. 121/2 90 | 85 | | 102% | -81/2 | -01/2 | 12.81 |
| Merriii Lynch 10Vz 90 | 500 | 9475 | | -8Vz | -044 | 11.75 |
| Mitsubishi Fin (1%) 90 | 100 | 3654 | | -@Yn | | 12,07 |
| Nippen Credit 1 88 | 100 | 34% | 9517 | 0 | +8% | 12.19 |
| Nippon Credit 11% 00 | 180 | 28% | 98% | -04s | 9 | 12.21 |
| Nippon Tute 113/a 90 | 188 | 991/2 | | 0 | -014 | 11.43 |
| | 250 | 93Vz | 944 | -81/2 | -81/4 | 11.65 |
| Ontaria Hydro 1044 90 | 200 | | 199% | -0Y2 | -81/4 | |
| 8nterio Hydro 1174 90 | | | | | | 11.68 |
| Pacific Ses S Elec 12 91 | 75 | | 1013 | • | -914 | 11.84 |
| P.K. Banken 12 90 WW | 75 | 97Vz | 00 | -84s | 0 | 12.48 |
| Production 164s 93 WW | 1501 | 9574 | 9514 | -01/2 | +81/2 | 18.79 |
| Predential 101/s 83 XW | 150 | 997/4 | 99% | | +016 | 11.77 |
| Quebec Hydra 11 1/2 92 | 100t | 9774 | 9874 | | -81/2 | 11.64 |
| Quebec Province 12 V4 94 | 150 | | | | | |
| COMPLET LIMINER 15 40 04 | | 8814 | 8776 | | | 12 E2 |
| A | | 95% | 587/4 | 0 | -81/2 | 12.52 |
| Royal Bk of Can. 11 1/9 98 | 100 | 97 ^{7/6} | 98-7/L | 0 | -0% | 12.82 |
| Rural & Ind. Bk 12 91 | 100 50 | 97 % 98% | 98 ³ /s 98 ³ /s | +87% | -0% +0% | 12.82 12.33 |
| Royal Bk of Can. 11 % 98 Roral & Ind. Bk 12 91 Sears 9/9 Fm 11 % 00 | 100 50 125 | 97 ^{7/6} | 98¾ 98¾ | 0 +87/s -01/a | -0% +8% 0 | 12.82 |
| Sears 0/9 Fm 11 1/2 00 | 100 50 | 97 % 98% 101% | 98% 98% 101% | 0 +87/s -01/a | -0% +0% | 12.82 12.33 11.86 |
| Sears 0/5 Fin 1142 91 | 100 50 125 150 | 97 % 98% 101% 98% | 983/4 983/4 1013/4 583/6 | 0 +87/s -01/e -01/4 | -0% +8% 0 -8% | 12.82 12.33 11.86 11.02 |
| Sears 0/5 Fin 11 12 00 Sears 0/5 Fin 11 12 00 Sears 0/5 Fin 11 17 93 | 100 50 125 150 150 | 97 % 98% 101% 99% 98% | 581/4 581/4 1013/4 581/6 95 | -01/a -01/a -01/a -01/a | -0% +6% 0 -8% | 12.82 12.33 11.86 11.02 11.82 |
| Reral & Ind. Bt. 12 91 | 100 50 125 150 150 188 | 97 % 9844 10114 9846 981/2 8744 | 98% 98% 101% 88% 99 00% | 0 +876 -01/a -01/a -01/a 8 | -0% +8% 0 -8% 0 | 12.82 12.33 11.86 11.62 11.82 12.85 |
| Rerel & Ind. Bk 12 91 | 100 50 125 150 150 188 100 | 97 % 98% 101% 98% 98% 87% 94% | 98% 98% 101% 88% 99 00% 94% | -01/a -01/a -01/a -01/a -01/a 8 | -9% +8% 0 -8% 0 -8% +8% | 12.82 12.33 11.86 11.02 11.82 12.85 12.11 |
| Remi & Ind. Bk 12 91 | 100 50 125 150 150 188 100 200 | 97 76 98 76 101 14 58 76 98 72 97 74 94 76 94 76 | 58% 58% 101% 58% 95 00% 94% | +8% -0% -0% -0% -0% 8 0 | -0% +6% 0 -8% 0 -6% +6% | 12.82 12.33 11.86 11.02 11.82 12.85 12.11 |
| Rutel & Ind. Bt. 12 91 Sears 9/9 Fm 11 12 90 Sears 9/9 Fm 11 12 90 Sears 9/5 Fm 11 14 93 Sears 9/5 Fm 11 14 93 SEEK. 11 17 89 Summtome Fm 107 6 90 Tersicol Capital 10 12 93 Tokai Asia 14 12 14 91 | 100 50 125 150 150 188 100 200 100 | 97 % 98% 101% 59% 98% 97% 94% 94% 94% | 58% 58% 101% 58% 95 00% 94% 95 180% | +87/s -97/s -97/s -97/s -97/s 8 0 8 | -0% +8% 0 -8% 0 -8% +0% +0% +0% | 12.82 12.33 11.86 11.02 11.82 12.45 12.11 11.49 12.25 |
| Rutel & Ind. Bt. 12 91 Sears 9/9 Fm 11 12 90 Sears 9/9 Fm 11 12 90 Sears 9/5 Fm 11 14 93 Sears 9/5 Fm 11 14 93 SEEK. 11 17 89 Summtome Fm 107 6 90 Tersicol Capital 10 12 93 Tokai Asia 14 12 14 91 | 100 50 125 150 150 188 100 200 | 97 76 98 76 101 14 58 76 98 72 97 74 94 76 94 76 | 58% 58% 101% 58% 95 00% 94% | +87/s -97/s -97/s -97/s -97/s 8 0 8 | -0% +6% 0 -8% 0 -6% +6% | 12.82 12.33 11.86 11.02 11.82 12.85 12.11 |
| Rural & Ind. Sk 12 91 | 100 50 125 150 150 188 100 200 100 | 97 % 98 % 1011% 98 % 98 % 97 % 94 % 94 % 94 % | 58% 58% 101% 58% 99 00% 94% 95 180% 98% | +875 -974 -974 -974 -974 -974 | -0% +8% 0 -8% 0 -8% +8% +8% +8% | 12.82 12.33 11.86 11.02 11.82 12.85 12.11 11.40 12.25 18.43 |
| Rural & Ind. Bt. 12 91 Sears 9/5 Fm 11 \times 00 Sears 9/5 Fm 11 \times 91 Sears 9/5 Fm 11 \times 91 Sears 9/5 Fm 11 \times 93 SEEK 11 \times 93 Sunstants Fm 10 \times 90 Texact Cepital 10 \times 93 Tokal Asia Ind 12 \times 91 U.0.S. 10 98 | 100 50 125 150 150 188 100 200 100 100 | 97 % 98 % 101 % 98 % 98 % 97 % 94 % 94 % 98 % 88 % | 9874 9874 10134 5876 99 0014 9476 95 18074 9874 | -01/a -01/a -01/a -01/a -01/a 8 0 8 0 -01/4 -91/a | -0% +8% 0 -8% 0 -8% +0% +0% +0% -8% | 12.82 12.33 11.86 11.02 11.82 12.85 12.11 11.40 12.25 18.43 11.46 |
| Rutol & Ind. Bt. 12 91 Sears 0/9 Fm 11 12 00 Sears 0/9 Fm 11 12 00 Sears 0/9 Fm 11 19 91 Sears 0/9 Fm 11 19 93 SEK. 11 1/2 89 Sears 0/9 Fm 10 10 10 10 10 10 10 10 10 10 10 10 10 | 100 50 125 150 150 188 100 200 100 100 200 | 97 74 92 74 10114 98 74 97 74 94 74 94 74 98 74 98 74 98 74 98 74 | 987/s 987/s 1013/s 587/s 99 001/s 947/s 95 1001/s 987/s | +8% -0% -0% 8 0 8 0 -0% | -9% +8% 0 -9% -9% +8% +8% +9% -9% | 12.82 12.33 11.86 11.02 11.02 12.65 12.11 11.40 12.43 11.46 11.49 |
| Rural & Ind. Bk 12 91. Sears 0.79 Fm 11 \times 00 Sears 0.75 Fm 11 \times 91 Sears 0.75 Fm 11 \times 93 S.E.K. 11 \times 89 S.E.K. 11 \times 89 Tenson Cepital 10 \times 93 Tokai Asia 12d 12 \times 93 World Bank 11 \times 88 World Bank 11 \times 90 World Bank 11 \times 90 | 100 50 125 150 150 188 100 200 100 100 200 150 | 97 70 92 74 101 14 98 74 97 74 94 74 94 74 98 74 98 74 98 74 98 74 98 74 | 9874 9874 10174 8876 95 0014 947a 9574 9874 9874 | +84s -91/s -94s -94s 8 9 -94s -94s +94s | -0% +8% 0 -8% 0 -8% +0% +0% +0% -8% -8% -8% | 12.82 12.33 11.86 11.02 11.82 12.85 12.11 11.40 12.43 11.46 11.89 11.84 |
| Rund & Ind. Bt. 12 91 Sears 0/9 Fm 11 1/2 00 Sears 0/9 Fm 11 1/2 00 Sears 0/9 Fm 11 1/4 93 India Asia 12 1/4 91 U.9.S. 10 98 World Bank 11 1/4 98 World Bank 11 1/4 90 World Bank 11 1/4 90 World Bank 11 1/4 90 | 100 50 125 150 150 188 100 200 100 100 200 150 200 | 97 70 92 74 101 14 98 74 97 74 94 74 94 74 98 74 98 74 98 74 98 74 98 74 98 74 | 58% 58% 101% 58% 55 00 % 55 100% 58% 59% 67% 38% 100% | +84s -01/s -01/s -01/s 8 0 8 0 -01/s -51/s +01/s | -9% +8% 0 -9% -9% +8% +8% +9% -9% | 12.82 12.33 11.86 11.02 11.02 12.65 12.11 11.40 12.43 11.46 11.49 |
| Rural & Ind. Bk 12 91. Sears 0.79 Fm 11 \times 00 Sears 0.75 Fm 11 \times 91 Sears 0.75 Fm 11 \times 93 S.E.K. 11 \times 89 S.E.K. 11 \times 89 Tenson Cepital 10 \times 93 Tokai Asia 12d 12 \times 93 World Bank 11 \times 88 World Bank 11 \times 90 World Bank 11 \times 90 | 100 50 125 150 150 188 100 200 100 100 200 150 200 | 97 70 92 74 101 14 98 74 97 74 94 74 94 74 98 74 98 74 98 74 98 74 98 74 98 74 | 58% 58% 101% 58% 55 00 % 55 100% 58% 59% 67% 38% 100% | +84s -01/s -01/s -01/s 8 0 8 0 -01/s -51/s +01/s | -0% +8% 0 -8% 0 -8% +0% +0% +0% -8% -8% -8% | 12.82 12.33 11.86 11.02 11.82 12.85 12.11 11.40 12.43 11.46 11.89 11.84 |
| Rund & Ind. Bt. 12 91 Sears 0/9 Fm 11 1/2 00 Sears 0/9 Fm 11 1/2 00 Sears 0/9 Fm 11 1/4 93 India Asia 12 1/4 91 U.9.S. 10 98 World Bank 11 1/4 98 World Bank 11 1/4 90 World Bank 11 1/4 90 World Bank 11 1/4 90 | 100 50 125 150 150 188 100 200 100 100 200 150 200 | 97 70 92 74 101 14 98 74 97 74 94 74 94 74 98 74 98 74 98 74 98 74 98 74 98 74 | 58% 58% 101% 58% 55 00 % 55 100% 58% 59% 67% 38% 100% | 0 +84s -01/s -01/s 0 8 0 8 0 -01/s -01/s +01/s | -0% +0% 0 -8% 0 +0% +0% +0% -8% -8% -8% -8% | 12.82 12.33 11.86 11.02 11.82 12.85 12.11 11.40 12.43 11.46 11.89 11.84 |
| Rund & Ind. Bt. 12 91 Sears 0/9 Fm 11 1/2 00 Sears 0/9 Fm 11 1/2 00 Sears 0/9 Fm 11 1/4 93 India Asia 12 1/4 91 U.9.S. 10 98 World Bank 11 1/4 98 World Bank 11 1/4 90 World Bank 11 1/4 90 World Bank 11 1/4 90 | 100 50 125 150 150 188 100 200 100 100 200 150 200 | 97 70 92 74 101 14 98 74 97 74 94 74 94 74 95 74 98 74 98 74 98 74 98 74 98 74 | 58% 58% 101% 58% 55 00 % 55 100% 58% 59% 67% 38% 100% | +84s -01/s -01/s -01/s 8 0 8 0 -01/s -51/s +01/s | -0% +0% 0 -8% 0 +0% +0% +0% -8% -8% -8% -8% | 12.82 12.33 11.86 11.02 11.82 12.85 12.11 11.40 12.43 11.46 11.89 11.84 |

| AMOUNT COUNTY I I AM AN | 200 | 3348 | | | u | 11. |
|-------------------------|---------|----------|-----------|-------|--------|------|
| World Bank 1117: 90 | t 50 | 984» | 384ts | +0% | -8% | 11. |
| World Bank 12 93 | 200 | 1001/2 | | a | а | 21.2 |
| Ar. price class | 205: OG | day O, o | on week | -4E | | |
| DEUTSCHE MARK | | | | | ge on | |
| STRAIGHTS | 3500 | Bird | Offer | day | week | 10 |
| Amea hat 1 944 91 | 100 | 98Vz | 99% | | +874 | 8. |
| A.N.A.S. 61/2 91 | 150 | 991/8 | 2942 | | -QV4 | 8. |
| Arab Sanking Corp 9 98 | 100 | 97548 | 98Vz | -844 | +834 | 8. |
| Asian Dev Bk 91/9 93 | 200 | 1805/z | 1011/2 | +872 | +0.48 | 8. |
| Austria, Rep 7Vz 98 | 100 | 1001/2 | 181 | -8Ye | +814 | 7. |
| Aven Int Fin 7 Vz 93 | 188 | 100% | 1011/2 | _gve | +844 | 7. |
| Barclays O/S 8V4 98 | 250 | 10154 | 182 Ve | +04 | + 17/4 | 7. |
| Besture Foods 744 93 | 130 | 1023/4 | 182 Va | -0Vz | -844 | 7. |
| ECS.C 8 90 | 150 | 1011/2 | 101% | +8% | +97/2 | 7.3 |
| E.I.B. 8 83 | 288 | 88V2 | | 8 | +8142 | 8, |
| Eurofima 742 00 | 100 | 100% | 101Vz | -81/6 | 8 | 7. |
| Europerat 8V4 93 | 150 | 100 | 1981/2 | 9 | +014 | 8. |
| Fieland Rep 9 90 | 150 | | 1017 | 8 | +674 | 7. |
| .A.O.B. 81/4 93 | 150 | | 100Va | -BVs | +13/8 | 8. |
| Int Standard Ele 7% 90 | 100 | 101 | 10174 | 0 | 9 | 7. |
| Int Standard Ele 7% 93 | 100 | | 18134 | -876 | -814 | 7. |
| Ireland 85/a 81 | 158 | | 100% | Õ | +01/0 | 8. |
| Japan Dey Bk 71/2 90 | 180 | | 1814 | -11/2 | 8 | 7. |
| L7.C8. 8 90 | 100 | 181 | 187 Vz | 0 | -BVe | 7, |
| Magal Fin 84 54 | 150 | | 38% | Ď | +8% | 8. |
| Sth Africa Rep S1/2 81 | 200 | | 181% | 9 | +0% | 8. |
| S.N.C.F. 848 93 | 188 | | 180% | 8 | +8% | 8. |
| VEBA Int Fin 4 93 VW | 300 | | 127% | -344 | | 1, |
| VEBA Int Fin 4 93 XW | 388 | | 781/4 | | -BVe | 7. |
| World Back 77/s 89 | 380 | | 1814 | 8 | +81/2 | 7. |
| World Back 9 93 | 300 | | 997 | ä | +01/2 | |
| Av. price cleage | | | | | 7-74 | -, |
| WAY BUICK CHANGE | #1 fu d | -74, | Brit Lamb | | | |

| Sth Africa Rep 51/2 81 | 200 | 10176 | 1817 | 9 | +61-42 | |
|-------------------------|-------|-----------|--------|--------|---------------|-----|
| S.N.C.F. 848 93 | 188 | | 180% | 8 | +5% | 8.1 |
| VEBA Int Fin 4 93 WW | 300 | 12674 | 127% | -314 | | 1.1 |
| VEBA Int Fin 4 93 XW | 388 | 77% | 781/4 | -814 | -BVa | 7.1 |
| World Back 77/s 89 | 360 | 186% | 181Ve | 8 | +81/2 | 7.1 |
| World Back 9 93 | 300 | | 997 | 9 | +01/2 | 8.0 |
| Av. price chang | | | | k -3/2 | | _,_ |
| SWISS FRANC | | | | Chan | 94 00 | |
| STRAIGHTS | 12500 | F 154 | Offer | doy | mock | Yi. |
| Bank of Tokyo 9 91 | 100 | 102 | 182 Va | | -844 | 5.6 |
| Dogmark 5-% 91 | 1001 | 10244 | 10314 | 0 | -8 74 | 5.8 |
| E.E.C. 8 93 | t00 | 191 | 1914 | 0 | +8 /2 | 5,8 |
| Dec Power Day 55/s 83 | 180 | 1007/4 | 1011/4 | | -874 | 5.4 |
| Europacat 8 Vs 93 | 100 | 101 | 1014 | | +874 | 5,5 |
| Ind Fund Fig 844 81 | 40 | 191 | 1014 | -044 | -87/4 | 6,8 |
| Int-Am Dev Bik 6 83 | 100 | 1801/4 | 1067/2 | 8 | 8 | 5.8 |
| reland 8V2 83 | 00 | 1824 | 103Vs | -814 | +5/4 | 6.0 |
| Japan Dev Bk 51/a 93 | 180 | 102 | 10274 | 0 | -1 | 5,5 |
| Jap Highway Peb 55/4 81 | 199 | 100% | 101 | | -8 1/4 | 5.4 |
| Kensai Ele Power 8 91 | 188 | 182 | 1021/2 | +874 | 8¥s | 5.5 |
| Manitoba Prov 51/2 93 | 188 | 181 7 | 10244 | +81/4 | 4876 | 5.2 |
| Ment Blanc Turk 67s 93 | 35 | 103 | 183Y4 | | -01/2 | 5.5 |
| Mount Isa Finance 8 93 | 100 | 19344 | 1031/2 | +8% | +844 | 5.5 |
| Mag Bk Dermark 9% 81 | 80 | 10244 | 182 Vz | -8Va | +01/2 | 5.8 |
| New Bruteswick 5% 93 | 100 | 102 | 10274 | +81/4 | 8 | 5.4 |
| Sapore Tel & Tel 5% 93 | 100 | 183 | 10344 | +BVe | +874 | 5.3 |
| Hisshin Steel 8% 91 | 100 | 181% | 1811/2 | -81/2 | +01/e | 6.8 |
| Osterr Post 8Ve 91 | 100 | 18374 | 164 | 0 | -8¥4 | 5.4 |
| Reebec Province 55/a 93 | too | 181 | 1914 | +81/4 | -U'/a | 5.4 |
| Sbiluku Bec Power 8 91 | 100 | 102 | 1024 | +01/2 | -01/s | 5.6 |
| Soc Lux Cent 544 93 | 188 | 99 | 991/2 | -8V2 | -07/4 | 5.8 |
| Sumitamy Heavy Int 8 81 | 100 | 191 | 19774 | -01/2 | 8 | 5.2 |
| okye Elec Power 5% 91 | 100 | 10274 | 19314 | -0Vs | -07/6 | 5.3 |
| rizec Corp 61/e 93 | 100 | 199% | | -844 | -01/2 | 6.0 |
| Av. price chang | | ay - 1/4. | | -1/8 | | |
| | | | | Chang | | |
| THE CTRANSPORT | | | - | _ | | |



| As, price ch | anges: or | day 0 | 10 W | ak Ó | | |
|--------------------------------|-----------|-------|--------|--------|---------|------|
| CONVERTIBLE | Come | Coer. | | | Chg. | |
| BONDS | date | price | Bid | Offer | day | Pa |
| 88C Brawn Boveri 41/a 95 | 2/841 | 188 | 100 | 101 | 0 | -5/ |
| Bridgestone Tee S1/2 96 | 3/82 | 470 | 12134 | 123V4 | -374 | - 21 |
| Contra 7 97 | 7/82 | 584.2 | 2281/2 | 2201/2 | - 874 | -4 |
| Batera Sec Co 51/2 98 | 19/831 | 481.5 | 1031/2 | 195 | +1 | -0. |
| Famor 3% 98 | 1/84 | 9142 | 122 | 123 | -876 | 2. |
| Hisachi Cable 51/4 86 | 2/82 | 515 | 116% | 118% | -174 | -2.1 |
| Honda Motor 5Vz 98 | 6/83 | 884 | 116 | 117 | -714 | |
| Handa Motor 51/2 97 | 3/83 | 759.6 | 13456 | 136Va | -81/2 | -63 |
| Konistúroka Pioto 4 SB | 10/83 | 873 | 103% | 184% | -376 | 8. |
| Kyowa Hakko 6 Vs 87 | 2/83 | 702 | 116 | 1171/2 | -4 | 2. |
| Minubez Co Ltd. 547 98 | 5/83 | | 111% | | +8% | - 1 |
| Minsubathi Electric 514 98 | 8/83 | 396 | 18454 | 18574 | -274 | -2 |
| Mitsubishi Heavy 474 98 | 1/84 | 253 | 3754 | 38% | - 23/4 | -1.7 |
| Morata 31/2 99 | 2/84 | 2939 | 115% | 11850 | -534 | -1.7 |
| Nippon Oil Ca 5 1/2 88 | 4/83 | | 100% | | -23/4 | |
| Missan Motor 544 98 | 4/83 | | 103Va | 18414 | -214 | -2. |
| Divergus Optical 6% 87 | | | 10714 | 1083/4 | | 1. |
| Orient Leasing 544 98 | 6/83 | | 10514 | | -574 | - |
| Secore 5 98 | | 2920 | | 165Vz | -544 | -3.4 |
| Yamaichi Sac Co S 95 | | 448.5 | | 1041/2 | +176 | 8.5 |
| Yamanouchi Phane cal 4 90 | | | 391/2 | | -134 | 24.4 |
| Bridge Ox 474 93 SF | | | 108% | 11176 | D7/4 | 24. |
| Nipson Aloway 234 94 SF | | | 393/4 | 1813/4 | | 3.0 |
| Toshiba 244 94 SF | 1/84 | | 10514 | 18874 | -21/2 | 14 |
| Asics 5 92 DM | 12/03 | 528 | | 11114 | 6/2 | 16.2 |
| White 2 by Did William College | 2/03 | | 118 | 11174 | - 0 1/2 | 10.4 |

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Marie and

Electricité de France cashes in on buoyant trend to swap debt

BY MARY ANN SIEGHART IN LONDON

ELECTRICITÉ de France is taking Two fixed-rate Australian dollar floating rate cote exarket to refinance its existing debt at a lower in that currency is generally considered as \$400m FRN issue through lead managers one issue at coce, and the A\$50m issue through the Assom issue at coce, and the A\$50m is and the yield is expected to be Suisse First Boston (CSFB). Cit- of Australia is only a week old. icorp and Deutsche Bank

The notes have a 15-year life and pay % point over the six-mooth Lon-doo interbank offered rate at par. doo interbank offered rate at par. With total commissions to ezanagers of 0.875 per cent, the all-in compounded cost to EDF is just 0.24 per ceot over Libor. The issue was wellreceived, though, trading at a discount around its selling coocessioo

rying out a similar operation with rying out a similar operation with through a five-year bond paying its oew \$100m note, paying % point over the mean of the six-month London hid and offered rates at par. Stanley, Samuel Montagu and Sal-London bid and offered rates at par. It will use the proceeds to prepay its existing \$100m due 1986 issue. which pays ¼ per ceot over Libor.

CSFB is leading the deal, which bas froot-end fees of 1% per ceot. It sold comfortably within its 1 per cent selling coocession, at a price of

advantage of a buoyant Eurodollar issues were launched yesterday, Banque Nationale de Paris, Credit sue for the Primary Industry Bank around 10% per cent.

First to come was a A\$42m deal Royal Bank and Daiwa Europe. The six-year bond has a 12% per cent coupon at a price of par. It sold outside its 1% per ceot selling coocessioo at a discount of about 1% per

of 0.65 per cent.

Banque Bruxelles Lambert is carNew South Wales is raising A\$40m omon Brothers. The issue was re-ported to be selling slowly at a discount of 1% points.

The Province of Quebec's bulldog bond bas been given a coupon of 12% per cent at a price of 97.8 by lead manager S. G. Warburg. This gives a yield of 12.532 per ceot.

The European Investment Bank is raising Ecu 75m through a 10-

managers and total underwriting depth to the sterling credit market, commitments of more than Ecu but the size of its loan has not been 600m, confounding critics who believe that the deposit exarket in Eufeel the situation in the Ecu market In Switzerland, Kyushu Electric Power is raising SwFr 100m through an eight-year bood led by SBC. The indicated yield is 5% per

Trading was quiet in most secondary markets yesterday, with prices closing little changed.

| prices closing little change | d. ot | | | nis ezarket, | minns, with a relatively small cour- mine of coming from banks in the EEC. The loan is being assembled by Morgan Guaranty, Istituto Ban- |
|-----------------------------------|----------------|----------------|----------------|----------------|---|
| WEEK | LY U.S. BONE | YIELDS (| %) | | cario San Paolo di Torino, Bank of |
| | Feb 8 | Feb 1 | 1983 #igh | -1984 Low | Tokyo and Banque Indosuez and will now go into limited syndication |
| Composite Corp. AA Government: | 12.21 | 12.19 | 12.83 | 10.78 | at the smaller participant level. |
| Long-term | 11.62 | 11.57 | 11.93 | 10.18 | · A further example of how the |
| Intermediate Short-term | 11.41 10.73 | 11,36 10,70 | 12,03 11,26 | 9.83 9.21 | scarcity of new business is prompt |
| Municipal | n/e | n/a | 10.01 | 8.72 | ing an eothusiastic reaction to oew |
| Industrials ARA Industrials AA | 11.83 12.03 | 11.79 | 12.62 | 10.51 10.72 | loans has come with the increase to |
| Utilities AA | 12.40 | 12.37 | 13.05 | 10.35 | \$600ez from \$500m in the loan being |
| Professed Stocks | 11.25 | 11.16 | 11,47 | 10.59 | sought by Indonesia. The co-ordinating group - Bank of Tokyo. |
| Source: Standard & Poor's | | | | | Chase Manhattan, Industrial Bank |

New Issua February 10, 1984 All of these bonds having been placed, this announcement appears for purposes of record only.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Washington, D.C.

DM 200,000,000 8 % Deutsche Mark Bonds of 1984, due 1994



intarest: Offaring Price: 8 % p.a., payable annually on February 15 99 1/2 0/0 February 15, 1994 at par

at all Garman stock exchanges

Deutsche Bank

Dresdner Bank

Commerzbank

ADCA-Bank Allgemeine Deutsche Credit-Anstalt Badische Kommunale Landesbank Bayerische Landesbani

Berliner Bank Aktiengesellachaft Bremer Landesba Kreditenstalt Oldenbur Deutsche Bank Sagr Aktienge Deutsche Länderbank Aktiengesellschaft Hallbaum, Maler & Co. AG -- Landkreditbenk ---Georg Heuck & Sohn Bankiers nanditgesellschaft auf Aktien Bankhaus Hermann Lampe Kommandiigesellschalt Landesbank Schleswig-Holstein Girozentrale National-Bank

Aktiengesellschaft

Sal. Oppenhelm jr. & Cie.

M.M. Warburg-Brinckmann, Wirtz & Co.

Bankhaus H. Aufhäuser

Bank für Gemeinwirtschaft **Bayerische Vereinsba**

Richard Daus & Co., Bankiers Deutsche Girozentrale --- Deutsche Kommunalbank

Hamburgische Landesbank ... Girozentrale ... Hessische Landesbani Landesbank Rheinland Pfels --- Girozentrale --Merck, Finck & Co.

Conrad Hinrich Donne

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Portuguese minister assails investments in public sector

portuguese Governments \$1.4bn. Sr Veiga Simao blamed tha ments totalling \$1.5bn into crists in Portugal's public state-owned industries over the sector on an over-dependence past six years, 60 per cent of which will never be recovered, backing for unproductive proaccording to Sr Veiga Simao. Jects and the deferral of price the Minister for Industry and Experts.

Energy.

He claimed that these investments, made for sbort-term gains at the expense of a global economic strategy, had plunged the public sector into a frightening financial condition with a debt in the industrial and energy sectors that had risen more than 500 per cent since 1977 to \$5.5bn.

His speech came a week after the Socialist-led coalition government ordered fuel and energy price increases of up to 23 per cent.

The minister said that private companies were also seriously hit by debt and were danger-ously decapitalised. A major restructuring of both the private and public sector was the most urgent requirement of the

Government's recent announce-ment of plans to make drastic cuts in spending and jobs in Portugal's overmanned public sector, which was nationalised ment of plans to make drastic cuts in spending and jobs in Portugal's overmanned public sector, which was nationalised under pressure from the Communist Party in the wake of the 1974 revolution.

Speaking to the Portuguese Association of Industrialists (AIP) the minister sald that interest payments on the His speech marked the signing of a protocol between the Ministry for Industry and Everloping joint efforts to modernise industry.

In an incident that underscored the problems of Portuguese sal's deht-ridden public industries, two demonstrators were injured yesterday when Nat.

Association of Industrialists gar's dent-ridden public indus-(AIP) the minister sald that tries, two demonstrators were interest payments on the injured yesterday when National Guardsmen using teargas debt had increased in six years and riot sticks charged shippard from \$53m to \$720m and that government support for the sectors this year would reach River Tagus estuary in Lisbon. I than this percentage of their

PORTUGUESE Governments \$1.4bm

His remarks followed the most urgent requirement of the

economy. His speech marked the sign

John Wyles in Brussels describes the implications of technical bankruptcy for the Common Market EEC Budget: What happens when the money runs out?

AS EACH week passes without retail sales of a common basket any tangible progress towards a of goods and services. It would settlement of the European take a year for national Partia-Community's agricultural and ments to ratify the new limit settlement. budgetary crises, the thrill of an emergency financing packapprehension deepens in Brussels. Nervously, and with some dread, diplomals and officials focus more and more on one simple question: "What happens when the money runs out."

ments to ratify the new limit so an emergency financing package of some kind would be needed to see the Community through the remainder of this year and all of next.

In the absence of these agreements, one firm prediction that can be made is that the causely

Simple questions do not always yield simple answers. This year, for the first time in its history, the Community looks unlikely to be able to finance all its current activities hecause the demands on its budget will be greater than available revenue. The political, legal and social consequences are extremely difficult to forsee, but those that can be identified pose grave threats to the political cohesion and stability of the Community.

cohesion and stability of the Community.

Little wonder therefore that those who care are praying for a summit in Brussels next month or, failing that, in Bordeaux in June which will produce agreements capable of dispelling the Micawberesque nightmare.

The package deal which eluded the Heads of Government in Athens would allow the Community to escape technical

ments, one firm prediction that can be made is that the crunch will bit the agricultural guarantee section of the EEC budget. Despite having announced savings worth 260m European Currency Units, (Ecus), the Commission estimates that farm price support will still cost this year at least 900m Ecus more than the 16.5hm Ecus hudgeted. If, however, the Commission's proposals for reform of the Common Agricultural Policy, coupled with a virtual standstill on farm; prices, are accepte hy the end of March, then Brussels believes that spending can be brought within a tolerable margin of the budget total.

Assuming no farm agreements, doomsday predictions

ments, doomsday predictions suggest misery, degradation and even revolution in the country-side if the CAP is bronght to its

knees.

Here are some of the questions and limited answers which are being examined in Brussels and some national capitals. Could the Commission find some extra money for agricul-

lose its nerve. West Germany may even stand in support. however, ruled out. There can be no resort to a supplementary hudget because the Community has already hudgeted to spend all but 43m Ecu of funds avail-able within the 1 per cent VAT This year's EEC budget totals 25.36hn Ecus and the Commis-sion is theoretically able to pro-

Yes, it could, but the possibi-lities are either legally dublous.

politically unattractive, or both. Previous custom and practice is,

Borrowing to finance the budget deficit (as national governments normally do) is ruled out by the Treaty of Rome. Some members of the Commission believe that they could use

pose a transfer of money to agriculture from other sectors. To do so would be bound to raise a political slorm since it would be seen as sacrificing social, regional or other requirements at the farming altar. The proposal would be Farm spending will be the target if the EEC runs out of eash. Doomsday predictions suggest

misery, degradation and even revolution in the

Article 200 of the Treaty to beg member states for ad hoc contributions. This move, even if legalty possible, and other stratagems for handling the budget crisis, would run up against the reality of British policy however.

With very strong domestic backing, Mrs Margaret Thatcher, the Prime Minister, is deter-mined to exploit the budgetary crisis to force a solution to the British bodget problem.

country side if the CAP is brought to its knees.

expected to oppose any attempt to let the Community off its

financial hook. If Bonn does not

be an attempt to raise more revenue from the farmers themselves by boosting the co-responsibility levy on milk production. Currently set at 2 per cent of the milk target price, the levy is already bringing in nearly 600m Ecu of

budgel income. When would the farm budget run out of money?
Estimates vary within the

Commission. Some say June, others September, while the real optimists think the budget can be stretched until December. Much depends on the accuracy of the Commission's

hudgetary forecast and on its handling of events. Farm spending is notoriously hard to predict. Last year's initial budgetary allocation for agriculture, for example, proved to be about 2bn Ecus too low. In any case, the Community will not suddenly wake up one morning to discover that its coffers are empty. Farm spending is actually administered through advance payments to national governments. The February advances, which have

just been paid, total 1.45hn Ecu. If this is established as the average monthly spending rate, then the total for the year would be around the 17.4bn Ecu. forecast by the Commission. By mid-year, the Commission will have a fairly clear idea of how large the shortfall is likely to over the remaining six

Is there anything clae the Commission can do? Not much, since substantial economies can only be achieved with the agreement of the

to wilbdraw all its price and reform proposals.

What could governments themselves do if the money

runs out? This is the most difficult question to answer, such are the polltical and legal uncertainties. There is always the risk that a Government might carek under the pressure of polltical protests and direct action. If protests and direct action. If every last agricultural Ecu has been spent and again assuming that we are in the final three months of (be year, il seems highly likely that governments would maintain the basic CAP system of purchasing surplus production of milk, cereals, beef and yeal, sugar and some fruit and yegetables.

These intervention purchases are normally financed by gov-

are normally financed by gov-ernments who receive interest payments on their investments from the EEC and reimbursement when the produce is sold out of stocks at a loss. More seriously threatened would be the alds for storage, processing, proces marketing and income support which run at around 800m Ecu

per month.
The most fearful nightmare in Brussels is that the govern-ments' reactions would be

AND HELLS

THE RE

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M LAURENT FABIUS

Twin attacks leave popularity in tatters

BY PAUL BETTS AND DAVID MARSH IN PARIS

M LAURENT FABIUS, the youthful French Minister of Industry, is bracing himself for a particularly cool late winter spell. By the side of bis neat desk in his imposing ministeral office, logs are piled up in an unusually large number by the frenlace.

fireplace.

Nearly a year after he took over the industry and research portfolio from the always controversial M Jean Pierre Chevenement, M Fabius's honey-Chevenement, M Fabius a honey-moon is over. A prolege, prac-tically a favourite aon of President Francols Mitterrand, be came into office promising a pragmatic, market-orientated and low profile approach to France's industrial problems. Initially, the new Fabius styla succeeded in restoring some de-gree of confidence in the regree of confidence in the re-structuring of nationalised companies and also in winning back some support from the

private sector.

But now, be faces the crunch.

"During 1974-1981, the previous "During 1974-1981, the previous government weathered the crisis at the expense of productive investment. Our job is to reverse this trend," he said. However, in recent months he has suddenly been faced with a whole series of declining sectors' problems that threaten to absorb most of the funds he absorb most of the funds he would prefer to use to support growth industries and produc-tive investment.

tive investment.

Until the declining sectors' problems started coming to a head first with the Talbot car dispute over Christmas, then with steel, coal and the shipyards, M Fablus was a popular figure, mainly because be bad kept his head down. But as one of the key ministers behind the Left-wing Government a industrial restructuring plans, be has drawn the fire of unions, who drawn the fire of unions, who think be is an axeman for the employers. and of business leaders, who argue vocally that he is not cutting deep enough. The Communists, junior partners in the coalition, bave rounded on him and have openly questioned his Left-wing credentials.

Low-key approach

M Fahius'a low-key approach and bls knack of side-stepping some of the more explosive dossome of the more explosive dossiers have caused resentment among members of his own party. In the National Assembly this week, he came under attack from Socialists deputies complaining about a lack of consultation. And he has come under fire from hoth Right and Left for his handling of the salvage of La Chapelle d'Arblay, France's largest but sick papermaker which is based in M Fabius's constituency of Rouen.

After months of wranging they have signed their planning contracts. It's flict job to meet the targets. It is flict job to meet targets. It he is flict job to meet targets. It is flict job the targets. It is flict job to meet targets. It is flict job meet targets. It is flict j munists, the Government bas agreed to pour in another FFr 3bn (£25m) to save the company. La Chapelle d'Arblay may well turn out to be a permanent scar in a so far near faultless relities! faultless political performance by his 37-year-old Minister. M Fabius explains the Government's approach to industrial restructuring by suggesting there are three ways of tackling the problem. The first is to do nothing and refuse any job cuts. But this would only lead to furlber decline.
The second is to make brutal changes, whatever their damage. We say no to this.
There is a third way which we There is a third way which we are trying to take: essential modernisation without grave social disruption ond taking in account the importance of retraining workers."

Despite the controversies of recent weeks. M Fabius displays considence. A mild mannered man dressed in the control of the

traditional hallmark of French moderate socialists — a woollen pullover under his ministerial jacket — M Fabius is always ready to listen, whether to the Patronat or to M Georges Marchais, the Communist secretary general. tary general.

As a sign of some return of French industrial confidence, as well as the international recovery, he says." There are indications that investment is picking up this year in France." Indeed, the government statistics institute is now forecasting a 15 per cent rise in real terms in French investments this year, much of it due to nationalised industries.

.M Chevenement'a relations with the bosses of state indus-tries were always prickly. He had an irritating babit of announcing major restructur-ing decisions before they were finalised and of sending his officials to interfere with nationalised groups. M Fabius, like many of the atate industry chairmen, values discretion. Fablus never announces a decision unless it is firm," says one official.

Vital to strategy

The nationalised groups are vital to the modernisation strategy. "France," explains M Fahius, "can only achieve a good growth performance if it has a healthy industrial frame-work. France is the fifth industrial power in the world. But there is much to be done to create a leading modern indus-trial structure. That is one of the reasons why the economic stimulus in 1981-82 bad diffi-culties in producing leading culties in producing lasting effects—because it sucked in

imports." After buge losses in 1982, the state-owned industrial groups state-owned industrial groups— apart from steel and coal—are recovering. "The goal that the nationalised groups should re-turn to equilibrium by 1985 seems realistic. Pechiney and Rhone Poulenc, for instance, are making a spectacular

M Fabius adds: "I think we bave good beads of nationalised industries. The idea is to have a moral contract with them.
They have signed their planning
contracts. It's ficir job to meet
the targets. If they don't, they
must expect consequences. But

even claims be is not really sure what the word means). M. Fablus can intervene with ruth-lessness when necessary. M. Albin Chalandon, the Gaullist baron formerly in charge of the state-controlled Elf-Aquitaine oil group, felt the Fablus steel last summer when he was forced outof his job in a row over the restructuring of the chemicals industry.

In his previous job as hudget minister, M. Fabius was the msn who brought charges on ollegations of exchange control irregularities against a key target of Socialist idealogues—M. Pierre Moussa, the former chairman of the now nationalised Paribas

of the now nationalised Paribas bank — whose trial is now tak-ing place. M Fabius also insti-gated the spectacular import controls on Japanese video cossette records

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are Covernment securities issued to statemal savings beginn norms of more large, overniterit securities sought by the Treasure under the National Loans Act 1968. They are registered in the National Savings Stock Register and are subject to the Standary Regulations relange to the National Savings Stock Register for the time being in force so tar as these are applicable. The principal of, and interest on, bonds are a charge on the National Loans fund.

PURCHASE.

2.1 Subject to a minimum purchase of £500 (see paragraph 4) a purchase may be made in multiples of £50 The date of purchase will be all purposes be the date parment is received with a completed application form, at the National Savings Deposit Kind Office a Post Office transacting National Savings Bank. humans or such other place as the Director of Savings may specify
2.2 A certificate will be respect of each purchase This certificate will
show the value of the band and its date of purchase This certificate will be snow the value of the early and to date of purchase and in part repairment in accordance with paragraph 5.2 by a new ceromeate showing the updated value of the bond, including capitalised interest.

MAXIMUM AND VIINIMUM HOLDING LIMITS 31 Na person may hold, either solely or pantly with any other person, less than £500 in any one bond or more than £50000 in one or more bonds. The maximum holding limit will not prevent the capitalisation of interest under paragraph 4.5 but capitalised intense will count towards this limit it the holder wishes to purchase another bond. Bonds inherited from a deceased builder and interest on such bonds will not count towards the maximum limit. Bonds held by a person as trustee will not count towards the maximum which he may hold ee of a separate lund or which he or the benticiary may hold in a

versonal capacity 3.2 The Treasury may vary the maximum and minimum holding limits from time to time upon javing notice but such a variation will not prouded our right engood by a bond holder immediately before the variation in respect of a bond then held by him

4.1 Interest will be calculated on a day to day buss from the date of purchase up to the date of repayment. Subject to paragraph 4.2 interest on a bond will be payable at a tair determined by the Treasury, which may be varied upon

as a The rate of interest on a hand or part of a band repaid before the first anniversity of the date of purchase will be half the rate determined by the Transure in accordance with paragraph 41 unless repayment is made on the death of the sole band holder 4.3 Interest on a bund will be capitalised on each anniversary of the date of purchase without deduction of income tax, but interest is subject to income

tay and must be included in any return of income made to the Inland Revenue in respect of the year in which it is capitalised.
REPAYMENT

51 A holder must give three calendar months notice or any application is made in the death of the sole bind holder Any application for repayment of a fond most be made in writing to the National Savings Deposit Bond Office and be accompanied by the current investment certificate. The period of notice will be calculated from the date in which the application is received in the

will be calculated from the date on which the application is received in the National Springs Deposit Bord Other.

Stamplication may be made in accordance with paragraph 51 for repayment of part of a bond including capitalised interest, but the amount to be repaid must not be less than USI or such other figure as the Treasury may determine from more to mee upon spring motion. The balance of the bond remaining after repayment, excluding interest which has not been capitalised, must be not less than the minimum holding limit which was in force at the date of application. Where part of a hand has been repaid a new certificate will be resided and the remaining balance will be treated as having the same date of turn have as the original band.

issued and the remaining observe will be treated as having the same date of purchase as the outgand bond.

5.3 Pariments will be made by crossed warrant sent by post. For the purpose of determining the amount payable in respect of a bond the date of repsyment will be treated as the date on the warrant.

5.4 Nat payment will be made in respect of a bond held by a minor under the age of seven years either solely or jointly with any other person, except with

TRANSFERS in Rands will not be transferable except with the consent of the Director of Savings. The Director of Savings will for example, normally give consent in the case of devolution of bonds on the death of a holder but not to any promused manufer which is by wire of sale or for any consideranor NUTICE

consent of the Director of Savings.

7. The Treatury will give any notice required under paragraph 3.2, 4.1.5.2 and 9 in the London. Edinburgh and Bellast Cazettes of thiany manner which they think in I in once is given otherwise than in the Capettes, it will as soon as teasurably possible thereafter be recorded in them. CUARANTEED LIFE OF BONDS

8 Each band may be held for a guaranteed initial period of hi years from the punchase date. Thereafter interest will continue to be payable in accordance with paragraphs 41 and 45 until the redemption of the bond. The bond may be redeemed either at the end of the puntanteed initial period or on any date. thereafter in either case upon the giving of six months routed by the Treasury. The Linecour of Savings will write to the holder betwee redemporar, at his last recorded address intuiting him of the date of redemption

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EUROPEAN NEWS

BY RUPERT CORNWELL IN BONN

The agreement is expected to

be signed this summer, according to the West German com-

pany. It should run from 1988 to 1993, allhough VW is hop-ing it will provide the basis for

even longer-term co-operation.

wagen to supply equipment for a full-scale engine assembly

line, capable of producing about 300,000 units per year, as well as light vans. Of these, 2,000

BY ANDRIANA IERODIACONOU IN ATHENS

The deal provides for Volks-

CAR ENGINES TO BE BUILT IN EAST GERMANY

Hard bargaining is expected on aid to ACP countries

BY IVO DAWNAY IN BRUSSELS

TALKS AIMED at renewing a pients to respect human rights. third trade and aid pact between the African, Caribbean and European Community opened lo continue aid to countries gesterday with both sides governed by nolorious dictator.

will clear the way to a new Lome Convention for ratification by next February.

The current two-day session principle of in Brussels is faced, however, sovereignty. with a series of hard bargaining essions over the criteria for EEC aid donations which trialled about \$5.5bn (£3.9bn) over the last five-year agree-

Earlier in the week, M Edgard
Pisani, the EEC's development
commissioner, told journalists
that some member states might

Detween the two parties, he said.

Claude Cheysson, the French
president of the EEC's foreign be reluctant to support the treaty if the 64 ACP countries failed to enter a new "policy dialogue" on how funds are

spent.
He added that there is also pressure for the inclusion of faced by d an article requiring aid reci-

This latter demand follows wide - spread embarrassmen. Pacific (ACP) countries and the among REC countries at having

striking a notably conciliatory ships.

It is hoped that the new ministerial-level negotiations are marks brought a swift reaction from Mr Hugh Shearer, the ACP countries would not developing countries would not support the way to a new developing countries would not seem to support the way to a new developing countries would not seem to support the way to a new developing countries would not seem to support the way to a new developing countries would not seem to support the way to a new developing countries would not seem to support the way to a new developing countries would not seem to support the way to a new developing countries would not seem to support the way to a new developing countries would not seem to support the support the support to support the support the support the support to support the support the support to support the suppo developing countries would not accept aid if conditions were altached which breached the national

> There is a mutual benefit will be shipped to East Germany from the relationship between the ACP and the EEC. and an agreement must be reached on the basis of complete equality of the agreement. from the relationship between the ACP and the EEC, and an between the two parties," h

ministers' council, emphasised in his keynole speech yeslerday that the Community acknowledged the principle of inter dependence, recognising the "desperately serious" situation faced by developing countries'

A PLANNED deal for the production of Volkswagen car engines in East Germany has been warmly welcomed here, HERR GERT BASTIAN, a former lank general and a leading figure in the West German "peace movement," yesterday quit the partiamentary party of the Greens in the most serious both as a political symbol, and setback for the young party since it entered the Bundestag for the economic advantages it offers both countries.

Double benefit seen in VW deal

lasi March, writes James Buchan. Herr Bastian (59), who has repeatedly criticised the chaos and inefficiency of the Greens parliamentary party, will now sit as an independent. Should he be followed by two other deputies from the disgruntled group, the Greens will lose their privileges as parliamentary parly and face political and financial

Herr Bastian, a man of great authority for the Greens' 2m voters, demanded last month that professionals be brought in to replace some of the group's "backers-np," who are supposed to take over from the 28 deputies halfway through the Parliament under the Draconian insistence of party congresses. "It's tragic," said one member of the group yesterday. "Green retired generals are few and far between."

The new plant, whose sile of these models.

A Government spokesman

said that the Greek position had also heen officially conveyed to

Mr Monteagle Stearns, the U.S. ambassador to Athens and to Mr Ed Derwinski, the Stale Dc-

partment envoy, who visited Athens this week on a tour of

Greece is protesting because

the U.S. military aid figures of

\$500m for Greece and \$755m

for Turkey for 1985 do not con-

form to a 7-10 ratio in Greece's

upon formal signature of the contract, and a further 2,300 has not yet been settled is expected to manufacture engines in the 1-1.3 litre class. Of the agreement.

The total value of the deal is estimated here at around DM 600m [£150m]. East Germany will not have to dig into its precious resources of hard currency, but make payment through engines it sends back to the West.

The new plant, whose sile of these models.

The agreement is a milestone in the 1-1.3 litre class. Of the deal in twe settled is expected to manufacture engines in the 1-1.3 litre class. Of the deal in the 1-1.3 litre class. Of the deal in the 1-1.3 litre class. Of the deal in twe settled is expected to manufacture engines in the 1-1.3 litre class. Of the deal in twe settled is expected to manufacture engines in twe settled is expected to manufacture engines in the 1-1.3 litre class. Of the deal in twe settled is expected to manufacture engines in the 1-1.3 litre class. Of the deal in twe settled is expected to manufacture engines in the 1-1.3 litre class. Of the agreement is a milestone in twe settled is expected to manufacture engines in twe settled is exp

lation specifying the need to maintain a balance of power in

The Papandreou Government

secured a reference to this amendment in the Defence and

Economic Co-operation Agreement (Deca) signed in Athens last September. This ensured the operation of the U.S. bases

for at least another five years.
The Americans have also un-

dertaken in the framework of

the agreement to provide Greece with military credits

the Aegean.

favour. The U.S. Congress has Greece with military credits measurapplied this railo informally (SMS) at repayment rales not nation since 1978, when an amendment less favourable than those gency.

was introduced in U.S. aid legis- granted to other allies.

(SMS) at repayment rales not national interests in an emer-

The first contacts for the deal are reported to have taken place in summer 1982. But VW only won the contract after heating off competition from Renault and Mazda.

That it did so is also being hailed here as proof of the mutual interest of the two German states to work together, despite the present fraught state of East-West relations.

In recent days, there have been conflicting pointers to the climate in East Germany. Some reports have claimed that the authorities there have clamped down further nn contacts with relatives and friends in West Germany

Others, however, suggest that

Greece is accusing the U.S. of violating this agreement, Apart from the departure from the 7-10 ratio, the Greeks are

disturhed by the Reagan Administration's proposals for the introduction of a concessionary SMS rate, to be granted a select

list of allies. Turkey, but not Greece, is on the list.

Article Seven of the Greek-U.S. base agreement grants the

Greek Government the right to take "appropriate restrictive measures" to safeguard

Greece may halt operation of U.S. bases

the region.

Britain urges caution on THE Greek Government of Mr Andreas Papandreou has officiemerging technology arms ally warned the U.S. that it may suspend the operation of the

MR GEOFFREY PATTIE, the British Minister of State purchase of a range of ET responsible for defence procurement, yesterday made a strong weapon systems.

These would range from duction of so-called emerging technology (ET).

i leave

astien.

In the first public speech on the subject hy a British minister since it became an important issue within the Nato alliance, he said that the use of ET for defence purposes was subject to very real constraints, both as to the extent of its use and the speed with which it should be introduced.

Emerging technology could provide one way of helping in reduce Natn's reliance nf nuclear weapons by improving its conventional defence, Mr Pattic said.

But it could in no sense be considered a panacea. The new technologies were costly and posed serious problems for European industry in particular. Weapon systems based on them still needed much sludy to determine their technical feasibility and effectiveness.

Mr Pattie was careful not to criticise overtly Mr Caspar of flexible response was still weloberger, the U.S. Defence Secretary, who has been urging Nato to agree a programme forces.

THE EUROPEAN Commission has produced mora generous proposals to facilitate Greenland's withdrawal from the EEC, based on an annual

the Greenlanders' main income.

BY DAVID BUCHAN IN LONDON

Romanian petrochemical industry ister bave been dismissed or disciplined 1980.

New Greenland terms

"purchase" of fishing rights for Eushrimp, halibut and redfish would
ropean Community boats in Greenbe maintained at current levels, but

These negotiations have lasted anteed their full quotas before the for more than a year. Success or Community is entitled to its catch.

failure has hinged on the Communi-ty securing sufficient access for its fishermen - principally West Ger-framework agreement granting

man - to waters whose fish provide Greenland overseas country or ter-

The main point of the new pro- grants and loans.

Romanian officials sacked

sualty of the blast at the Teleajen of the Teleajen plant.

Greenland wants to withdraw by fish products free access to the community and qualify it for some

SEVERAL SENIOR officials in the plant is Mr Gheorghe Caranfil, Min-

increased problems in this troubled mittee, which this week accused

ment, yesterday made a strong plea for caution on the intro-duction of so-called emerging guided munitions, which could, for example, destroy a company of tanks 50 miles behind the enemy front line, as well as much new surveillance and communications equipment lo make such weapons affective. Britain is one of several European countries which have

privately urged caulion within the Nato study group which was set up a year ago in look into the so-called Weinberger initiative oo ET. But this is the first time that

Britain's objections have been publicly stated. Mr Pattie was talking to a conference on emerging technologies and defeoce capabilities organised by

the Economist magazine.

Mr David Abshire, the U.S. ambassador to Nato who was also speaking at the conference, said that the transatlantic debate on ET was part of a much more profound debate over the continued viability of Nato strategy. He believed that the strategy

posal is the payment of Ecu 18.5m (\$15m) a year, in return for continued access for EEC fishermen for five years. Their catches of cod,

Greenland fishermen will be guar-

The Commission is maintaining

ritory status, which would allow its

ister of the Chemical Industry since

date for UK deal

the end of next week to negotia-tions between Statoll and the British Gas Corporation on the sale to the UK of gas from its Sleipoer

Energy, said that if the deal was not completed by February 20 the Government would bave to submit a deelopment plan promising an alternative source of revenue, by about 1990, to the Storting (parlia-

deoce however, that agreement would be reached. You never have solutions till the last round but one," be said, emphasising what be regarded as a common interest be tween Norway and the UK. "One faces a drastic revenue shortfall at the turn of the decade and the other prospect of an equally alarming fall

Mr Christiansen made no bones about his Government's concern to maintain oil and gas revenues early in the next decade when output from fields presently being exploit-

Bluff and brinkmanship have en-

Oslo sets

four American military hases in

Greece if the Reagan Adminis-tration's fiscal 1985 aid pro-posals for Greece and Turkey are not amended in Greece's

The idea of suspending the

base activities in reaction to the U.S. aid proposals was put

forward by the Greek Prime

Minister, in a hardline speech to Socialist Party officials this

By Richard Johns in Oslo

NORWAY wants a conclusion by

In an interview in Oslo, Mr Kaare Christiansen, Minister of Oil and

in gas prices."

Mr Christiansen is to meet Mr Alick Bucbannan-Smith, UK Minister of State for Energy, at a private minar this week.

The Norwegian Minister said that the other option being considered by his Government was the goahead for a second phase of the Gullfaks oilfield.

this week over a serious refinery
explosion two months ago, which
killed more than 100 people and has

Dismissal of Mr Caranfil and his
deputy was ordered by the Communist Party's ruling political comtered into the negotiations between the Government-owned Statoil and British Gas. Previously an end-of-1983 deadline was set by the Norwe sector of the Romanian economy.

The most prominent political cations of failing to ensure "conditions of full security" in the start-up

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S. Koreans

North over

unity move

SOUTH KOREA vesterday offered to meet North Korean

blasts which killed 21 people, including four South Korean Cabinet Ministers, Reuter

reports from Rangoon.

Chinese optimistic

offer to meet

Israel may reassess 'wait and see' stance

BY DAVID LENNON IN TEL AVIV

rockets into porthern Israel government to reassess its earlier decision to wait and see before determining what action, if any, it should take in Lebanon, following the developments of last week ments of last week,

The victories of the Moslem Shias in Beirut and the withdrawal of the U.S. marines are acknowledged as setbacks for Israel, but officials in Jerusalem said yesterday that it was still too early to assess the extent of the damage to its interests.

Because of this, the cabinet decided to postpone any decision until its regular cabinet meeting on Sunday. But the fact that rockets were fired into Israel yesterday, after one of the declared aims of the 1982 Israeli invasion was to prevent such attacks, may mean that the Government will have to decide on some immediate

THE FIRING of three Katyusha ations between Jerusalem and Washington over developments io Beirut, but, according to the military officials, the U.S. only "balf-heartedly" asked Israel if it would intervene if the situation in the Lebanese capital deteriorated drastically,

Until yesterday's rocket attack, Jerusalem had been attack, Jerusalem had been refusing all appeals to come to the help of President Amin Gemayel, because it has abandoned its dream of creating a new order in Lebanon. Israel is now concentrating on finding ways of cutting its losses both politically and in terms of casualties being suffered by its audiers.

Israel's goal is to find a way

of reducing its mititary pre-sence in Lebanon, while at the aame time ensuring that the south is not used again as a launching pad for terrorist attacks against northern Israel, such as that of yesterday.



the Shia'a have reduced the possibility of developing a possibility of neveroping a friendly Moslem militia force in the south which would act in Iseral's interests in keeping out the Palestinian guerrillas.

The most realistic option appears to be a limited with-

drawal of Israeli forces, to align south of the Awali river possibly south of the Awali river possibly vet another failure of the disas-to the Zaharani River. This trous war in Lebacon. would reduce the area unur Israeli occupation, and remove Israeli forces from Sidon, where they have suffered many casual-

forces in Lebazon.

It would also drastically reduce the number of Moslems under Israeli occupation and thus, perhaps, make it easier for Israel to build up friendly militia forces among the Christian communities, which could help keep out the Pales-tinian guerrillas.

Of course, the hig problem over any withdrawol is who would take over the areas evacuated and how to guarantee that they are no hostile to Israel. So far, Jerusalem does not have an answer to this question, the rate of yesterday.

There appears to be some difficult for the past few ference of opinion at the deay's attack. The Israelis are ays have considerably cision-making level in Israel also atill waiting to see what arrowed the options available.

There appears to be some difficult for making made more urgent by yesterdays have considerably cision-making level in Israel also atill waiting to see what arrowed the options available. 1983, agreement with the Leha-nese Government over Israeli and Syrian troop withdrawal. Syria has always opposed the

large extent, stillborn, and oever ratified by President Gemayel, an abrogation of the treaty would be regarded as Because abrogation would re-

offered to meet North Korean representatives for the first time in four years to give them its official response to the North's offer for reunification talks. Reuter reports from Seoul. The Government said two officials would travel to the duire a decision by the Lebaoese Parliament, something which might be problematic, Israel is hoping that perhaps Syria will be content with a declaration by President Gemayel that it has been forced.

officials would travel to the border at Panmunjon today to deliver the message from Prime Minister Chin Iee-Chong to his newly appointed counterpart, Mr Kang Sung-San.

• Burma's Supreme Count yesterday rejected an appeal against death sentences imposed on two North Korean army Officials here accept the likelihood that, if President Gemayel is to remain in power, on two North Korean army officers for the October bomb

demayer is to remain in power, he will have to accept Syrian dirtates and, in effect, hecome a puppet of Damascus.

Though unwelcome, it is a less awful prospect for Jerusalem than the appointment or election of a really bening the property of the second hostile Lehanese figure as presi-dent, something which could turn Lehanon into a confron-tation state for the first time. If this were to happen, Israel would be face to face Israel would be face to face with the realisation that in its foolhardy attempt to try to reorganise Lebanon by its military invasioo in 1982, it may have, in fact, created a more dangerous nelghbour than it had hefore sacrificing 567 of its soldiers.

Uninese Fremier Line 1, 1982, is confident there will be a satisfactory outcome to the Sino-British talks on the future of Hong Kong, Australian Prime Minister Boh Hawke said, reports Reuter from Peking. Mr Hawke is on a six-day visit to China, primarily to discuss trade matters.

to contribute to a Beirut force

because of the experience of the U.S., Freoch, Italian and

Australia's seasonally adjusted unemployment rose to 9.5 per cent in January from 9.2 per cent in January from 9.2 per cent in December and the same level in January a year ago, Reuter reports from Canberra. The Statistics Bureau said yesterday that preliminary figures put the number of jobless at 667.500 against a revised 649,200 in December.

India death sentence

the U.S., Freech, Italian and British troops.

It was a basic error in peace-keeping operations to provide heavy firepower for the troops involved, he said. "When they are heavily armed, they tend to become a target and to become caught up in any fighting. Once that has happened they are bound to be seen as partisan by one side or the Mr Mawbool Butt, the Kashmir extremist leader whose release was demanded by the group who claimed responsibility for the murder of an Indian diplomat in Britain, will be executed in New Delhi jail on Saturday, Reuter reports. Mr Butt is sentenced to death for the murder of an Indian intelligence officer.

Iran-Iraq peace move Iran has agreed to send Foreign Minister All-Akbar

Velayati to Japan for talks on

Manila set to suffer further delay in IMF credit approval

BY EMILIA TAGAZA IN MANILA

THE PHILIPPINES application for an SDR 615m (£451m) standby credit from the International Monetary Fund (IMF). in the works for more than in the works for more than five months now, faces another major delay and may not be approved until May.

The IMF, which last year, discovered an overstatement in

discovered an overstatement in the country's foreign exchange reserves, has again found inconsistencies in the central hank's money supply figure.

An IMF mission is currently reassessing the central hank's records and the review will form the basis of complete revision of conditions in the Letter of intent submitted by

Letter of Intent submitted by the government last November.

the government last November.

With revised base figures, the
Letter of Intent, which will
govern the IMF credit, will set
new targets for credit growth,
public spending and the halance
of payments deficit.

The delay further pushes the
Philippines into a debt trap,
since only an approval of tho
IMF facility can help the
government properly negotiate
a rescheduling of some \$10\$m
(£7bn) in foreign debts and for
the acquisition of about \$3bn
in fresh funds from commercial in fresh funds from commercial

and official sources. The delays have exacerbated chronic shortage of foreign currency which is causing a virtual standstill in local industries which are heavily depen-dent on raw material imports. Since last month, numerous companies have been retrenching and shutting down operations, throwing hundreds and thousands of Filipinos out of

money supply came close on the heels of the foreign reserves controversy which led to the resignation of former central bank governor Jaime Laya and Cardinal Jaime Sin yesterday

accused President Ferdinand Marcoa of using "candy and brass Rnuckles" to ensure his party would stay in power even if it lost its majority in the May parliamentary elections, AP reports from

Manila. The Roman Catholic leader, however, did not spare the opposition a tongue-lashing. He criticised them for being as "rigid and unbending" in their demand for Marcas to resign as the president to resign as the president is "inflexible" in his refusal to give them genuine political

the appointment of Mr Jose Fernandez, a private banker, to

the post.
In spite of the central bank's In spite of the central bank's programme for tightening ilquidity there has been a remarkable increase in money supply, particularly in November and December last year when the government was supposed to have been finalising austerity measures with IMF. The December money supply figures showed a 38.2 per cent increase over the same month

last year.
Sycip Gorres Velayo (SGV), the accounting firm hired to audit the central bank's books, attributed the money supply rise to the emergency loans

Malaysian King elected

a strong critic of Dr Mahathir, Mahmood is an independent-the Malaysian Prime Minister, minded ruler with a colonial has been elected as the new Malaysian King, a previously ceremonial position which has now assumed political importance following last year's capable of ignoring official constitutional crisis between the Malay Sultans and the Government.

constitutional crisis between the Malay Sultans and the Government.

He will take office as the eighth Yang Dipertuan Agong (King) on April 26, and will reign for five years.

Under the constitution, the nine Malay Sultans elect one among themselves to be the High Court on a charge of the Malay Sultans and the constitution.



Lebanese Unifil force eyes Beirut peacekeeping vacuum Australia jobless BY ROGER MATTHEWS, MIDDLE EAST EDITOR

IT IS not easy to overlook armed men in Lebanon, but there is an almost forgotten group of 5,310 soldiers whose role could become increasingly important during the coming

The group consists of 624
Fijians, 531 Finns, 926 Freech
(to he joined soon by another
500), 741 Ghanaians, 732 Irish,
40 Iralians, 164 Dutch, 849 Norwegians, 560 Senegalese and 143
Swedes — the UN Interim
Force in Lebanoo, or Unifil.
These soldiers took up their

These soldiers took up their positions south of the Litani River in Southern Lebanon following the Israeli invasion of March 1978. That Invasion of known as the Litani operation, was aimed at pushing Palestinian guerrillas out of artillery and rocket range of Northern

EIGHT soldiers from the United Nations peacekeeping force in South Lebanon were fired on hy members of the Israeli-backed Lebanese horder militia, the UN said yester-day, AP reports from Tel Aviv.

Mr Timur Goksel said the soldiers, members of the Ghanaian contingent of the UN Interim Force in Lebanon (Unifil), returned fire, wounding one militiaman and capturing two others in the clash.

"The two men detained admitted they were with the Israeli-sponsored militia and said they wanted to hijack the soldiers UN Jeep. The two were later handed over to the Israeli army, and Unifil protested about the incident

to the Israeli army," he said.

He said the incident occurred two miles east of Shaqra luside the border enclave patrolled by militiamen from the force of the late Mat. Saad Haddad.

narrow strip of land along its ment of a new or expanded UN border, When Israel again invaded presence in the area.
UN officials in New York are Lebanon in June, 1982, its armour and troops advanced proud of the achievements of Unifil, despite bitter criticism armour and troops advanced straight through Unifil's positions, Apart from one or two bravely futile efforts by UN troops to remonstrate with the Israeli army, Unifil did not put up any resistance and bas remained for the past 20 months behind Israeli lines. of the force from Israel before the 1982 invasion. They now helleve that Israel is better

placed to appreciate Unifil's success in preventing Palestinlan guerrilla infiltration, achieved with a minimum of force. Palestinian and Left-wing Moslem guerrillas were in the end reduced to using hong eliders and

that it could soon again play an effective role. This is based on the understanding that Israel is anxious to withdraw from the town of Sidon and re-establish its southern defensive line on the Zahrani rather than the Awali river. This could present an opportunity for part of Unifil to move northwards and

revert to its original task.

There is far greater scepticism in New York, however, about the possibility of either a new mandate for Unifi, which although of course it bas not appear to its original task.

View in Damascus that Syria would not reject in advance is the possible deployment of UN troops. "We might consider it, a new mandate for Unifi, which although of course it bas not appear to its original task. Unifil's mandate was to provide a buffer between the opposing forces, although it was unable to undertake its full anticipated role because Israel interposed the force of the late Major Sa'ad Haddad, a renegade Lebanense army officer, on a behind Israeli lines.

With Israel deeply concerned at the casualties it is suffering duced to using hang gliders and at the casualties it is suffering duced to using hang gliders and a new mandate for Unifil, which although of course it bas not would allow it to be deployed at ousing hang gliders and a new mandate for Unifil, which although of course it bas not would allow it to be deployed at the casualties it is suffering duced to using hang gliders and a new mandate for the creation of an entirely new force. We might consider it, although of course it bas not would allow it to be deployed at the casualties it is suffering duced to using hang gliders and a new mandate for the creation of an entirely new force. The Unifil mandate comes up for renewal in April and there in the end read at the casualties it is suffering duced to using hang gliders and a new mandate for the possible deployment of UN about the possibility of either and the possible deployment of UN about the possibility of either and the possible deployment of UN and the possib

partisate by one side or the other, and that is precisely what has happened in Beirut."

The most hopeful aign that the UN might have a role to play in the Beirut area came late last mooth from Mr Farouk al-Shara, the Syrian Minister of State for Foreign Affairs. He said during an interview in Damascus that Syria



Attient?

elected

Hong Kong aims to sell and survive in quality markets

garment business in 1959 with a tiny factory producing cheap roll-neck sweaters and cardigans. Output in the early years averaged 3,000 pieces a

Today, his Milo'a group, located in modern 12-storey premises in the outlying Kwai Chung area, embraces not only the original knitwear business

which now produces medium-to-high-range products, but also of all Hong Kong's manufactur-cotton garment and dye ing is for export, rising trade factories, one subsidairy to deal figures indicate however that

market and is winning: the rest of Hong Koog would like to do the same. His declaration that "quality is now the name of the game" is now repeated almost constantly throughout the territory.

Lin, 42, is diminutive and greying but bursting but bursting with experts, He started his family garment buainess in 1959 with

Two actions in the past fort.

BY LANKI KLIN has gone upmarket and is winning: the rest of Hong Kong would like to do the same. His declaration that "quality is now the name of the game" is now repeated almost constantly throughout the territory.

Lin, 42, is diminutive and greying but bursting with experts, He started his family garment buainess in 1959 with

Two actions in the past fort.

BY LANKI KLIN has gone upmarket and is winning: the rest mainland China, a yarn export. Is bolding its own Last year overseas sales reached afteroid "cheap" produced "cheap" pr

a sopinisticated customers while dollar were obviously a help coping with rising protectionism abroad and rising costs at home.

Two actions in the past forting in the protectionist problem.

Hong Kong currently is in disput with France over shipments of quartz watches, and is unhappy with a U.S. move to restrain textile imports from the territory as well as Taiwan, the territory is now the territory is now in the territory is now the territory is now in the past forting in the past forting the first of the protections in the past forting the first of the protections in the past forting the first without the territory is goods, and the protection is the past forting the first without the territory is now the quality of its goods, is unhappy with a U.S. move to restrain textile imports from the territory as well as Taiwan, the territory as well as Taiwan, the territory as well as Taiwan, the territory is now in the past forting the full-year figures are available.

Francis Tien, a leading manufacture, recalls that it was preconciled to years ago that his in-dustry would be overtaken by South Korea and Taiwan. We have never stopped moving forward quicker than any of them.

While unable to compete the visit of the full-year figures are available.

Francis Tien, a leading manufacture founcil to find, as a Hong Council put it, "our niche in the future. His progress is one who is planning to invest founcil the full-year figures are available.

Francis Tien, a leading manufacture for

Exports to U.S. up by 40% last year

By Our Hong Kong

HONG KONG'S exports to the U.S. leaped 40 per cent in 1983, consolidating the U.S. position as the territory's largest overseas market, and supporting a 26 per cent rise in Hong Kong's total domestic exports.

Hong Kong's total trade for 1983 was valued at HK\$336bn (£30hn) according to Government figures published yester-day—a rise of 24 per cent over 1982.

Domestic exports rose 26 per cent to \$104bn. Imports rose 23 per cent to HK\$175bn. Reexports rose 27 per cent to HK\$56bn.

The trade figures confirm perceptions of 1983 as an out-attanding year for Hong Kong's exports, following a reces-sionary 1982.

France making 'big effort' to liberalise import controls on some goods

FRANCE is making a "big effort" to liberalise the import controls which it imposes on some categories of Hong Kong goods, a French consular official said in Hong Kong yesterday.

Hong Kong watchmakers have heen angered this week by a high subjected to quota restrictions, and that most of those quotas abolished or eased.

Last July, the General Agreement on Trade and Tariffs council supported an arbitrators' report that France

been angered this week by a tightening of existing French quotas on imports of Hong Kong-made quartz watches.

France is counter-arguing that watches are only one of several categories of Hong several categories of Hong textiles.

Council supported an arbitrators' report that France countries.

France from other EEC countries.

France from other EEC countries.

France estimatea that 1.2m of the watches have flooded into the country already this year from other EEC countries, but many officials here regard

South African coal finds way to Sweden

BY GERARD McLOSKET

SWEDEN is importing substantial volumes of South African ported from Poland. The company is officially banned, some of this coal is arriving in the Starachowice had sailed from Amsterdam, as shipments from Amsterdam, as shipments from Amsterdam. Sweden in vessels from Poland which has no formal trade links with South Africa and which considers Sweden as a prime market for its own coal.

tistical bureau 2,097 tonnes of South African coal were imported in the first 10 months of 1983 out of a total of 2,183,377 tonnes in coal imports.

But inquiries in Poland. Sweden, the Netherlands and London indicate that the major swedish cement and construction commany. Cements AR. im-

March and the beginning of April last year. The supplier of the coal, Shell Coal International, said that these were two of seven ship-ments it supplied to Sweden last year totalling 17,000

arrived in Polish ships. In War-saw, an official of the Foreign Trade Ministry said that Poland neither had a foreign trade relationship with South Africa
relationship with South Africa
nor was any such link planned.
The shipping company
Zegluga Polska Spolka Akcyina
of Szczecin, which owns one of
the vessels involved, the Starachowice, expresed surprise about the shipment. "We do not break any Polish laws," said

the official. Poland has long considered Sweden its top steam coal market. Cementa AB said that coal imports, totalling

normally come from Poland. The buyer of the coal on Cementa's behalf, a Malmobased company called AB Supply, admitted however that market for its own coal.

According to the Swedish statistical bureau 2,097 tonnes of South African coal were imported in the first 10 months of there was a severe shortage of these was a severe shortage of the coal was a severe shortage of the Polish coal following the intro-duction of martial law in Poland.

Martial law was introduced in December 1981 and the initial disruptions to coal supply Swedish cement and consumer initial disruptions to coal supply initial disruptions to coal supply initial disruptions to coal supply were thought to be over by spring last year, however. In 1983 Poland produced an impressive in Malmo at the end of having slipped below 170m March and the beginning of tonnes in 1982.

. AB Supply claimed that Cementa officials knew the coal was South African. It said that despite the boycott, the Swedish Government has tended to look the other way, because of the large sale of Swedish goods in South Africa. But the Swedish Foreign Ministry confirmed that the

boycott was far stronger than "gentleman's agreement." Sheli points out that the shipments are not illegal, as the boycott is not yet legally en-forceable. Shell says no excep-tional regulations apply to

Even a certificate of origin is not auplied unless specifically requested by the client. It says its shipping documents clearly show the cargo as South African coal and are accompanied by an analysis certificate.

Sweden.

Talks on Brazil steel export curb next week By Andrew Whitley In Rio de Janeiro

HIGH-LEVEL talks on curbing Brazilian steel exports to the U.S. are to begin in Washington next week following an announcement by the State Department that the U.S. has agreed to negotiate a voluntary reduction pact with Brazil.

The negotiations are expected to cover flat ateel products, which last year represented two-thirds of the estimated \$400m (£285m)-worth of steel which Brazil aold to the U.S., its largest customer. The proposed curp was 1984 exports. Brazil is anxious to reach a screement rapidly, as

voluntary agreement rapidly, as the U.S. International Trade Commission is due to reach a final decision next month on preliminary findings that most Brazilian steel products are heavily subsidised. Import deposits of up to 100 per cent are already in force.

Press reports yesterday said that Brazil was prepared to reduce its total tonnage sold to the U.S. from last year's 900,000 tonnes to nearer 400,000.

Sr Joao Camilo Penna, Industry and Commerce Minister, welcomed the U.S. accept

ance of Brazil's proposal to set quotas on its steel exports in return for the dropping of anti-dumping suits and those surtaxes already applied—as solution of the problem."

Giving a ne wtwist to the usual Brazilian arguments towards unhappy foreign competitors concerned about its grow-in gsteel exports, the Brazilian minister said its steel shipments to the U.S. should be considered as an intermediate product whose low costs helped to improve the productivity of U.S.

Taiwan £13.6m boiler order goes to Dutch

By Walter Ellis in Amsterdam

TAIWAN HAS placed an order for two boilers, worth Fl 60m (£13.6m) with the Dutch ship-yard, De Schelde. The boilers will he used in an electricity generating station now under

At the same time, Peking has let it be known that it would like KLM, the Dutch national airline, to begin scheduled flights between the Netherlands and China. Its one condition is that KLM abandons its existing service between Amsterdam and Taipei.

In December, the Govern ment in The Hague refused to permit the Wilton-Fijennord shipyard to accept a foliow-un order from Taiwan for two submarines, Later, the Govern-ment announced that it bad banned all arms exports to Taiwan.

As a result of these decisions Peking agreed to restore full diplomatic relations with the following an earlier submarines order.

Taipei was angered by what happened and called off several trade missions which had been expected to come to the Nether lands this year. Nevertheless, as the latest boilers order shows, Taiwan is anxious not to ban trade with the Dutch, who, via KLM, currently provide their only scheduled air link with Europe.

Peking has meanwhile informed The Hague that Dutch companies may win contracts in a number of areas, including agriculture, horticulture, landreclamation and dredging, telecommunications and the improving of harbours and industry.

heen France has limited direct imports of Hong Kong quartz watches since October 1981. On Monday, the European Commission decided to permits of Hong Kong quartz watches enteriog are frame to clamp down on Hong are frame to clamp down on there are from other EEC countries, for the watches and clocks into the country already this page from other EEC countries, but many officials here regard to the figure as "improbably the figure as that the figure as "improbably the figure as the figure as the figure as that the figure and clocks that both direct and indirect imports of Hong Kong watches and clocks that both direct and indirect imports of Hong Kong watches and clocks that both direct and indirect imports of Hong Kong watches and clocks taking in watches and clocks taking

Spot the thief.



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well. After all, we're one of the leading suppliers of film to Britain's plastic card manufacturers. Credit cards are more convenient and flexible than cash.

Hardly surprising, then, that credit card holders are rapidly on the increase. So too, unfortunately, is fraud. And every year it costs the country millions of pounds.

Is there anything we can do about it?

We spend £1 million a day on research to produce, before it contains pharmal contains these planties dives, approximations we contains produces, reprographies and many other vital products.

For the complex picture, picase and he a copy of Finding New Way S is Horates UK Ltd., Publishy Dept., Salabury Road, Houriston, Middel WH of H. Ed. 01.57077 12. Err 3366.

The short answer is, you can't.

One solution might be to laminate a photograph of the holder into the card. And, if a photograph, why not the signa-

Cards with built-in memory.

development on the horizon.

Called, quite simply, the memory card, it could eventually make cash obsolete. Inside your bank card, a tiny microchip

would note any transaction you made. Then automatically debit your bank account and bring it up to date.

But there's an even more remarkable nobody steals yours.

Because only you'd know the card's code number, security would be absolute. Science fiction?

It's happening in France at this moment You'll be glad to hear we're working on it and our French company is involved in the project. Of course, we can't take all the credit.

But we're doing our best to make sure

We're spending £1 million a day on a better tomorrow.



BY PETER MONTAGNON, FUROMARKETS CORRESPONDENT

PERU HAS become the third However, following the signing

November next year as well as the disbursement of the remain-

Mexico consumer Ecuador call for price index up better debt terms By Hugh O'Shaughnessy

rises higher than 45 per cent this year then the peso will have to be depreciated at a quicker rate than at present. growth prospects.

President Osvaldo Hurtado of Ecuador was a leading organiser of the Quito summit

By William Chislett in Mexico City

MEXICO's consumer price index rose 6.4 per rent in January, raising doubts about whether the Government will be able to reduce the rate of inflation this year to its target of 40 per cent after 80.8 per cent last year.

The main factors behind the January rise were the new creased electricity prices. Senior government economists insist, bowever, that the

target of 40 per cent is still Controlling inflation remains the Government's priority this year. Officials are aware that if inflation

Latin American country after of a new letter of intent to the Mexico and Brazil to negotiate Fund last week, the Advisory better terms from its bankers Committee of creditor banks, for financing its 1984 debt chaired by Citibank, has recomneeds.

chaired by Citibank, has recommended that \$100m be made available as soon as possible. The new programme will provide SDR 250m in IMF finance for Peru, but it is not seeking this year and next. The debts will be repaid after nine years and the proposed rescheduling carries a margin of 1½ per cent over eurodollar rates or 1½ per cent over U.S. prime.

These rates are a full half per centage point lower than those applied to last year's rescheduling which also matures after only eight years.

The oackage, now being sent to all the country's 300 creditor banks for their approval, also includes the extension of about \$880m in short term debt until November next year as well as the disbursement of the remaining \$2200m of the new money.

The easier terms on the re-

ing \$200m of the new money loan arranged for Peru by the hanks last year.

Disbursement of this money had been blocked because of Peru's failure to meet the targets set out in its International Monetary Fund programme.

munity."

The easier terms on the rescheduling also include the rengeotiation fee which has been cut to \$\frac{1}{2}\$ per cent from \$1\frac{1}{2}\$ ner cent, while the grace period before repayments begin has been extended from three years to five. munity.

LATIN AMERICA'S call for a

reduction of the servicing costs of its \$310bn (£221bn) foreign

Dr Luis Valencia Rodriguez, the Ecuadorean Forelgn Minis-

Dr Valencia will be seeking to impress on Western govern-ments the strength of Latin America intention, formulated at the regional economic sum-

mit which took place in Quito, the Ecuadorean capital last month, of limiting debt service payments to terms which would

not jeopardise the region's growth prospects.

Local fringe henefits, howdebt will be the subject of talks later this month between Mrs Margaret Thatcher, the British Prime Minister and Sir Geoffrey Howe, the Foreign and Commonwealth Secretary, and

Longshoremen in New York, which concentrates heavily on container traffic, make the port more competi-

But in both Boston and Philadelphia, local talks have broken down on the issue of the guaranteed annual in-

Longshoremen's Association, said yesterday that these local issues could be swiftly re-

split over U.S. wage proposals

A NEW three-year wage deal for U.S. east coast ports met a mixed response from dock-workers yesterday as all-ont strikes were called in Boston, Baltimore and Polladepoia.

The walkout in three ports came in sharp contrast to the Acceptance of the contract in New York, the country's largest port, and in other smaller ports, including Jack-sonville, Florida.

Talks were still continning yesterday to try to resolve ontstanding issues at both New Orleans and Pensacola,

The difference between the ports arises from a number of local disputes which have blown up over issues not dealt with by the master con-

Under the global package, which bad been tentatively agreed for some time, 50,000 dockworkers in 36 Atlantic dockworkers in 36 Attantic and Gulf Coast ports are to receive increases of \$1 an hour to take their hourly rate this year to \$15, with an additional \$1 an hour in the second and third years of the

ever, were left out of this agreement. New York, for example, which is hy far the most expensive port in which to operate, wanted to trim increases in various addi-tional henefits, including its annual increase guarantees for workers displaced by containerisation and antomation.

In Baltimore, the crunch has come over ending a ban on working in the rain. But Mr Thomas Gleason, president of the International

Peru improves terms | Dockworkers | The face of Canadian politics may be about to change, reports Nicholas Hirst in Toronto

Crusader Trudeau considers his future

Trudeau, the Prime Minister. ful overtures, dismissed by the Hardly a day goes by now with Russiens, but the meetings at out rumours of bis intentions the Stockholm disarmament coneither to resign or to stay on ference have led to an agreeas the longest-serving Western

At 64, Mr Trudeau still wears rose in bis buttonhole and

He has already retired onre, after the former leader of the Progressive Conservative Party, Mr Joe Clark, won the 1979 election and ruled as a minority government, only to return to lead the Liberals to victory following the defeat of the Clark Government six months later. Government six months later.

Mr Trudeau has said he does not intend to fight again, but the election to the House of Commons last summer of the Conservative leader. Mr Brian Mulroney, a 44-year-old businessman who bad never before beld public office, bas apparently reinvigorated him.

He is onre again en joying himself in the cut and thrust of parliamentary debate and has heen giving some of his best performances. Before Christmas he launched on a crusade for peace around the world, appeal-ing for a new climate of "political energy" to lessen tensions between the superpowers.

His aims were modest. He wanted to change the "trend confrontation line" away confrontation between the superpowers and between the superpowers and has to resign to prevent an back to dialogue. After meeting President Ronald Reagan the Liberals with few seats out-

CANADIAN politics are again in Washington, Mr Trudeau dominated by speculation over claimed he had done that. Mr the future of Mr Pierre Reagan has since made peace-Russians, but the meetings at the Stockholm disarmament conference have led to an agree-ment at least to restart talks

on troop reductions in Europe.

The peace initiative is being portrayed inside Canada as a sign that Mr Trudeau will a rose in bis buttonnoie and remains unpredictable. First elected as Prime Minister in 1968, he was in power when Mr With broadcasting executives, Senalor Micbael Piffeld, until remains unpredictance, elected as Prime Minister in 1968, he was in power when Mr Harold Wilson was at Number 10 and President Lyndon Johnson in the White House.

He has already retired onre, the former leader of the civil service and a long-time Trudeau confidant, said: "Only a man who was leaving would have undertaken this mission." indicating that the

too high.
The initiative has had little impact on the fortunes of the Liberal Party. Opinion polls show Canadians liked the idea, but still do not approve of Mr Trudeau. The party's standing showed a minor improvement

in the last Gallup poll gaining 30 per cent support, but still languishes far behind Mr Mul-roney's Tories with 53 per cent. Mr Trudean's advisers at one time were presenting him with two reasons to stay: that (des-pite his present unpopularity he was the best leader the Liberals had, and that if the Liberals were to lose the next election, it would be better to give a new leader a clear run for the next time.

That kind of advice is heard less and less. The growing feeling within the parliamentary party is that Mr Trudeau

side its stronghold of Quebec, where it now holds all but one

Even in Quebec, the Liberals are under threat. Mr Mulroney is a native Quebecker and speaks fluent French. The Con-servatives are hopeful of taking some seats and the provincial separatist Parti Quebecois has

will follow that,
If Mr Trudeau resigns, the

Liberals will have to hold a leadership convention, and the longer the Prime Minister leaves it, the less time there is both for a leadership cam-paign, and for the new leader to work himself into the job.

to work himself into the job.

This year's Budget date has already beeo brought forward to February 15 from the usual April. freeing the political timetable for a possible convention in the spring. If there is to be a new Liberal leader. Mr John Turner, the forces Planace Minister.

date. He speaks French, important for the Quebec vote, and has strong links to Western Canada,

formed a new party to fight the next federal election.

Time to make a decision is running out. An election must be held by early 1985, but Canadian governments rarely hang on until the last minute.
The Pope is due to make a tenday visit in mid-September, and
the betting is that the election

the former Finance Minister who has been out of parliamentary politics since 1975, still seems the most likely candi-

the Liberals' weakest area. Mr
Turner has long been described as Prime Minister in waiting tather than Liberal leader in tather than Liberal leader in true. The doubt has been Mr Trudeau said he still adds to the suggestion that soon Mr Trudeau will retire from waiting. The doubt has been Mr Trudeau said he still adds to the suggestion that soon whether he was prepared to wanted to go to Moscow to Mr Trudeau will retire from lead the Liberals into defeat present his proposals to the Canadian politics.



Trudeau . . . In league with Reagan on peace.

ever, that the attention a leadership campaign would bring could revive the Liberals' fortunes and make victory more likely. But at the moment this looks a long shot and time is

running out. Mr Trudeau has returned from presenting his peace proposals to East European leaders and said that he would now consider both the future of the initiative and his own future. He stressed that one would not necessarily be dependent on the cluer but they are dent on the other, but they are clearly linked.

In Parliament yesterday, he indicated there were still steps to be taken to further the peace initiative. "My own personal contribution, though necessarily

and spend a period in opposition. It now seems that he is. Andropov. However, most poli-Some observers believe, howstill expect him to resign soon. may feel that his initiative has run its course.

If he does announce his resignation, he will stay on as Prime Minister until a new Liberal leader is chosen, which would leave him free to go with his peace crusade for some months. When he presented his peace proposals at the UN to Mr Javier Peres de Cuellar, its Secretary General, there were hints that there could be a job for Mr Trudeau as an international emissary for peace nt the

Any suggestion that Mr Peres de Cuellar had offered such a position was denied by officials but the iden that Mr Trudeau could be looking for a new job.

Haitian army put on alert for weekend elections

BY ROBERT GRAHAM

THE HAITIAN army has been Claude Duvalier last August put on the alert after reports Opponents to the 32-year-old that exiles based in the neighbouring Dominican Republic security measures are designed may seek to disrupt Sunday's parliamentary elections. At the same time, the Haitian authorities are understood to have ties are understood to have requested aid from the Domini-can Republic's armed forces to

a number of the Haitian opposition are based.

The new parliament will have Sunday's elections are to rumours of the young President Haitian parliament, which was it could play a part in naming a dissolved by President Jean-

Nicaragua poll plans under way

BY TIM COONE IN MANAGUA

THE first public discussions on Nicaragua's electoral law took place on Wednesday when the culing National Sandinista proportional representation Nicaragua's electoral law took place on Wednesday when the ruling National Sandinista Liberation Front presented proposals for general elections to the Council of State, the country's legislative body.

An electoral commission has been drafting the plans since last October, in consultation with all the political currents in the country apart from the U.S.-backed right-wing guer-

The draft law proposes the election of a President, a Vice- dent and Vice-President elected President, and a 90-member at the same time as the national

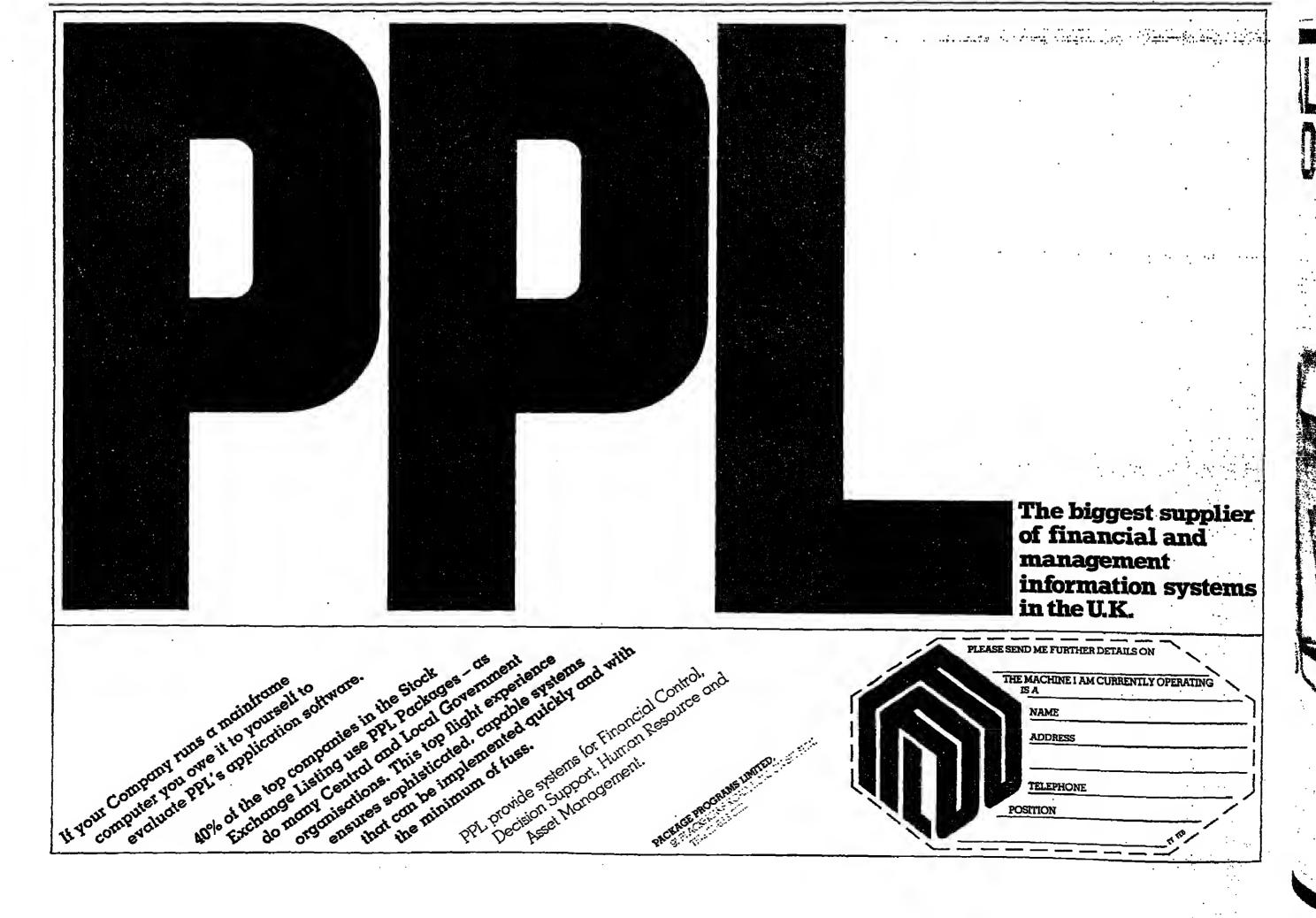
The system of voting for the national assembly will give the smaller parties to both the right and left of the ruling Sandinista party good opportunities to pick up seats in regions where they have strong it al support.

Criticisms have come from both the conservatives and communists in the Council of State who object to having the Presi-

assembly, executive power, they say, should be determined only by the national assembly.

Discussion and voting on the law is expected to be complete by February 21, when the elec-tion date is to be announced. The speculative election date is February 1985.

Reuter adds from Washington: Leaders of the two main right-wing guerrilla groups fighting the Nicaraguan Government apparently held a secret meeting in Miami on Wednesday to discuss the war.



TECHNOLOGY

PIPELINE LEAKS COULD BE REDUCED

Valve saves mains water

BY ANNE CHARNOCK

The design aim of the new valve is to prevent high areas where pumping costs are pressures building up at times particularly high. of low demand—at night, for example—because these excessive pressures force water out of cracks in underground mains and may even cause major bursts.

This latest development in whet are called variable pressure reducing valves (PRV) reverses recent design trends by abandoning electrical methods of operation and opting for a purely mechanical

It is therefore less sophisticated, cheaper and easier to maintain. In addition, electrically operated systems—such as according to the amount of the microprocessor controlled water consumed along the branch main. An origine plate valve developed by Wessex Water Authority—lack inherent

Around 20 per cent mains water is lost through cracks and bad joints in pipes. According flow rate. This pressure to one water authority scientist difference is transmitted to operations cost millions of pounds a year so only a small reduction in

Water Anthority put the idea of a mechanical, variable valve two UK mamufacturers -- J.

er war

WATER AUTHORITIES could now submitted valves for inde-make substantial cash savings pendent trials but they say with a new type of pressure confidence is so high that orders make substantial cash savings with a new type of pressure confidence is so high that orders reducing valve claimed to cut are being placed on the basis i water leakage from arterial of manufacturers tests. Paywater mains by as much as a back for the new variable PVRs could be as little as three months when installed in hilly

> which produce a constant pressure at the valve outlet the set pressure being just sufficient so that at peak day-time demand, water will reach the end of the network. But with nightfall, flows decrease and pipe water pressures be-come extremely high at the bottom end of the network. In fact, the diurnal pressure difference can reach 30m of

branch main. An orifice plate positioned upstream of the fail-safes as they depend on small hole in the plate, a external power supplies. valve. As water flows through a on either side of the orifice which is proportional to the elther side of a special diaphragm and its movement, in response to the pressure leakage will save hundreds of difference, operates a pressure thousands,"

reducing pilot valve. This in Early in 1983, the Welsh turn controls the main valve, So flow rate decreases at night, the valve closes in order to reduce

engineer, Ronnie Grandage, ia a patented control unit which "fine-tunea" the valve to suit individual water mains. For example, in a pipe with high frictional lossea because of serions internal scaling, higher pressures are needed to maintain a given flow than in a low friction polyethylene pipe. The Most water authorities at control system operates by resent use traditional valves transmitting a proportion of the produce a constant pressure difference at the orifice to the diaphragm unit, Grandage reckons their new valve will cut night-time leak-

age by 80 per cent. But he concedes that the concept of a mechanical variable PRV has been around for some time. Glenfield and Kennedy's brochures, ssys its managing director Denia Richmond. director Denia Richmond offered combined pressure and flow control valves in the 1930s seems the potential impact on leakage was not understood by

Blakeborough's valve is due to undergo field triala in the West Walea division of WWA. Divisional mechanical and elec-trical engineer Tony Johnson, initiator of the authority's design suggestion saya, "There's a lot of interest in these valves and competition is strong. It's now a free for all."

Severn Trent Water Authority has been working on a similar idea since late 1982, based on an Israeli-manufactured valve According to Andrew Ashcroft, a technical services office at STWA working on valve proto-types, "Waste has become a hot Blakeborough and Sons of pressure downstream.

Brighouse, West Yorkshire, and Glenfield and Kennedy of Kilmarnock. Both firms have ing to the firm's chief valves types, "Waste has become a hot Glenfield and Kennedy of borough's "Variducer," according to the firm's chief valves could be the best solution."

OPTICAL SYSTEMS Plastics replace glass lens

ONE PREREQUISITE for hring-made in glass, ing optical recording into wider Now, however ing optical recording into wider
use as to keep the costs of
Combined Optical Industries has
equipment production as low as
succeeded in making the com-

on recording media. 5 mm in diameter and equally lenses is claimed to be as good small diffraction gratings with very finely engraved lines are involved for handling and confor example is held to within

possible—not an easy task when miniature optical systems are the Philips Laservision system, reading microscopic impressions with cost savings of between 50 recording media.

For example, lenses about mm in diameter and equally in the right of the right

with mounting features in-tegrally moulded with the lens. Diffraction gratings are normally made by chemically etching the lines into the glass surface. Once again, in plastic the lines can be integrally moulded and do not suffer the defects sometimes resulting from etching.

The company's first grating is only 3 mm square, performs as well as the glass component trolling the laser beam that 1 per cent.

reads the optical disc. These components are customarily components can be produced and is 85 per cent cheaper to produce. More on 0753 75011.

MOTORS

Fuel saving

valve from

Europe incorporating variable

inlet valve timing is being launched today by Alfa Romeo.

The system is intended to over-

come the compromise which bas

been needed in any petrol car

engine between bigh power at,

or near to, maximum engine speed, and the need for easy

The former requires a high

degree of overlap between inlet

and exhaust valve operation: the

latter ideally needs little or no

Alfa Romeo has got round

the problem by fitting to the inlet valve esmahaft of its twin

overbead camshaft, two-titre engine, a hydraulic piston/

helical gear arrangement. The mechanism allows a 16 degree

variation in timing between the engine being started and used in atart/low-speed modes and

"Normal" aetting is without

the overlap. But in the high speed mode, the hydraulic piston, operated by engine oil pressure, slides in a spline

sleeve housed at the centre of

the inlet camabaft driver

sprocket. As the piston slides along the spine, it also runs

along a helical gear, causing

the camshaft to rotate relative

The precise point at which

the mechanism ia triggered is controlled by a Motronic elec-

tronic fuel/engine manage

The computer itself monitors factors such as throttle angle,

air mass flow and temperature in deciding when to trigger the mechanism, which is controlled

Alfa Romeo, which is intro

similar 10 the conventional

The system is expected to be

extended to other twin over

cepts, and are likely to follow

Alfa Romeo into production.

head camshaft engines in the

improvements of

ment compuler.

by a solenoid valve.

engine.

Alfa range.

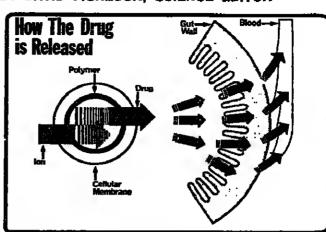
at higher speed operation.

starting and low speed torque.

Beads control drug delivery Alfa Romeo

PHARMACEUTICALS

BY DAVID FISHLOCK, SCIENCE EDITOR



pharmaceutical business, is putting his money on a new drug delivery system his scientists have invented and patented. In Europe this week he has been trying to persuade half-adozen drug companies to licence

his technology. His Pennkinetic system of controlled drug release combines two different machanisms in releasing a drug into the bloodstream. One, already weil established within his company, is the idea of locking a drug to an lon-exchange matrix, in the form of microscopic beads

of the resin. The second mechanism, under evelopment aince the late970s in Pennwali's research aboratories in Rochester, New system must he a major factor development aince the late-1970s in Pennwali's research laboratories in Rochester, New York, is to wrap the beads of resin and drug in a semi-permeable membrane of cellulose. This membrane can be deposited to give a very closely

ducing the system first on a "Gold Cloverleaf" version of controlled release of the drug. Drugs packaged in this way ita Alfetta saloon, claims fuel can be taken by mouth, either as capsules or as a liquid susbetween 4 per cent and 28 per cent, depending on usage. Power and torgue outputs are pension. Nothing bappens uotil it reaches the stomach and gastro-intestinal tract. So the nastiest taste is safely locked up until it is well beyond the

taste buds. The cellulose membrane is tationed to respond to the very constant concentrations sodium and potassium ions

Several other manufacturers are developing similar confound in the gut. Thus it can be arranged to JOHN GRIFFITHS

MR ISAAC MCGRAW, an In the bioodstream. The aketch American farmer who is also ahows how calions Effusing American farmer who is also ahows how calions diffusing corporate vice-president of through the cellulose coating Pennwait Health Group, a U.S. displace molecutes of drug, which have been locked up in-side as a resinate.

The vehicle itself is unaffected by the gut reactions and causes no side-effects, Mr McGraw says. For the past year it has been used to carry a drug called dextromethorphan, used

Food and Drug Administration of his Pennkinetic system late in 1982 has alresdy added \$10m in royalties to his aales. He has just got FDA approval for a second, a combination of decongestant and anti-histamine

in corporate plans to double the sales of the health division (\$217m iast year) over the next three to four years. He is inviting European drug compamies to piace research con-tracts with Pennwalt to devise an appropriate package and

Although be bas no develop-ment in-house for another drug company at present, he bopes to win FDA approval for five Pennwait preparations using the Pennkinetic system this year, and a further three in 1985. Mr McGraw claims his scientists have uncovered only

two drawhacks to this drug delivery system. One is that the basic drug must carry an elecrelease a drug steadily over a trical charge. Most syotbetic 12-hour period, maintaining a drugs do, but natural drugs do uniform concentration of drug not. The other is dosage.

Terminals

Impact printer

IRM has launched its fastest impact line printer yet, the 4248. It can print either 3,600, 3,000 or 2,200 lines a minute according to require ments.

EDITED BY ALAN CANE

At the slowest speed it can print characters which can be recognised by optical reading

According to IBM, the printer uses 46 per ceot less power and produces 26 per cent less heat than its predecessor, the 3211 which is a 2,000 line a minnle device. The 424g will however, run all 3211 programs. It costs 554,640 or £61,475 according to model.

IBM has also released new programs for its 3800/3 laser printer making it possible to merge graphies, text and print

Materials

Polyester expands

THE USE of polyester film is expecied to more than double between 1982 and 1995 because of its expanded application in frozen food packaging and retort pouches. Cellophane, bowever, of which 121m lbs was used in packaging in the U.S. in 1982 will be rejected in favour of newer materials created by the use of new technology.

These are two of the principal conclusions of a new sludy from the U.S. based consultancy Predicasts which indicates substantial growth for the flexible packaging industry.

Films will capture an increasing share of the total market, it says pointing ont that linear low density polyethylene, cheaper than ronventional low density polyethylene, is expected to make special progress, Papers, specifically glassine, greaseproof, oiled and waxed

will continue to lose ground to plastic films. By 1996, according to Predicasts, de-mand for paper as flexible packaging will be only to 1.5bn lbs, slightly less than the demand two years ago.



Communication

BT's digital link

THE VIDEOCONFERENC-ING system hetween Canada and Brilain announced by British Telcrom International cariler this week claims to be the first such service using niques.

BTI also intends to market low cost terminals which can be used in the office rather than forcing companies to send their employees to special studios. This will remove a major inconvenicuce of vidcoronferencing to

GEC-Jerroid, designed and made the system, developed by British Telecom in collaboration with aix other Enropean Jelecommun's at lona anthorities, which codes the plctures, text or image into a stream of digits. It also reduces the digital transmisston capacity to 2m bits a second. This is equivalent to Iransmilting 30 telephone calls simultaneously. Without reducing—or compressing— the number of digits required the videoconferencing system would occupy the equivalent of 1,000 telephone calls.

This data compression is particularly important when using saleliltes since lt occupies fewer channels with a resultant cost saving. The system is therefore a considerable improvement and can still produce reasonable quality colour images.

The terminals code and rompress the picture and sound information before transmitting the resultant signal to the satellite earth station at Goonhilly Down. This beams the signal to Toronlo via the Intelsat V

British Telecom national is planning to launch a similar system to the U.S. possibly later this year.

ALL SAABS GO FROM 0-60°IN 4 MINUT

Over the years, we've used our aircraft design skills to move quickly ahead in the automotive world.

For example, back in 1970 we pioneered the heated driver's seat, which goes from 0-60°F in around 4 minutes and soon reaches a comfortable 82°F.

It's been a standard feature on all our cars ever since, making them even more pleasant to drive, especially in winter. On frosty mornings, Saab owners quickly warm to

> the unique heating and ventilation system too. It raises the temperature from -22°F to +68°F in less than 5 minutes. Front wheel drive is also standard to give Saabs better control in icy conditions. (60% of the

car's weight is over the driven wheels.) And just as the rigid cell protects the passengers, outside our bodywork is protected against salted roads by a series of primers, anti-corrosion and anti-chip treatments, under-

seals, undercoats and top coats. With dull winter days in /mind, we also pioneered daytime running lights, headlamp wash/ wipes and self repairing bumpers.

And although other manufacturers have kept close on our tail, many Saab innovations are still unique to the 900 range.

So ring our 24 hour hotline (062 84) 74427 and arrange a test drive. Whether it's heated or not, when you sit in the driver's seat and experience our exciting rally bred handling, it won't be many minutes before you become a Saab enthusiast too.



900 series from £7,320 A more individual car

Turin: Tentro Recio: New Production

WEST GERMANY

Cauberflote has Carla del Re as Queen of the night Arabella, an Ot-lo Schenk production, is steered to irrumph by Judith Beckmann in the

title role. (351 151).

Frankfurt. Opera: Premiering this

of La Boheme directed by Ugo Gre-goretti; Fidelio directed by Peter

THE ARTS

Cinema/Nigel Andrews

Fact, fiction and factions

Under Fire, directed by Roger Spot-Star Struck, directed by Gillian The Prize of Peril, directed by Yves Boisset.

" I don't take sides. I take picturea," growls Nick Nolle as the front-line photo-journalist in Under Fire. But tossed onto in Under Fire. But tossed onto the coals of the Nicaraguan revolution in 1979, he soon undergoes that favourite bar-becuing process of agitprop adventure, the Politicisation of the Outsider. Like Bruno Ganz in Scholandorff's Circle of in Scholondorff's Circle of Deceit or Krystyna Janda in Wajda's Mon of Marble, he begins as a humbly conscientious, non-partisan reporter and ends up embracing a creed and cause, both radical.

Under Fire revolves around the overthrow of General Somoza, the famous Central American dictator who had Sandinistas thrown in his face. Director Roger Spottiswoode is an experienced front-liner himself, having dashed from trench to trench in the Hollywood hattlefields: he edited Strow Dogs, produced Dog Soldiers, wrote 48 Hours and directed Terror Train. And however much one may question some aspects of this film's ideology, aspects of this nim's ideology, he handles the thriller-at-war elements magnificently. The movie avoids the wince-inducing tropes of most political docu-dramas t"Hello, Guevara." "Good morning, Castro") and it pounds a growly veracity into Noite's Nicaraguan doshings between fact and fiction, and faction and faction.

we first meet our hero at film.)
assignment's end in Chod, Eve
hoarsely partying with fellow Fire
reporter Gene Hackman and non. whispering sweet nothings to

next hot spot, the triangle changes shape. Cassidy and Nolte cosy up to each other and Hackman growls goodnatured valediction; flying off to New York, though not for long. Meanwhile the guerrillas are revolting. Somoza is a hull at bay, and Jean-Louis Trintigat bay, and sean-Louis Frinte-nant stalks the corridas of power as "Jazy," a cryptic French spy with a clotted French accent. "Do you know oo zat ees?" he asks Nolte and Cassidy, as something nubile and gorgeous weaves into view across his garden. "It ees Meess Panama." And she turns out Jazy and Somoza. But Jazy hoyant little spy who has the also seems to bave friends among the rebels . . Who does nistas. Cuha or Washington? After bringing exposition.

intrigue and atmospherics beau-tifully to a boil, the "story"



Joanna Cassidy and Nick Nolte in " Under Fire"

thumbscrews: beyond saying that they involve the photo-graph of a "dead" guerrilla leader, the tragic fate of Hackman and the radicalisation of Nolte, And they add up to one of the most abrasive and humanely fronic plunges into Third World politicking since The Honorary Consul. |The book, not, Heaven forbid, the Every contribution in Under

Fire adds a layer of distincnon. Spottiswoode's direction is perfectly spring in both inti-macy and action scenes. Photo-grapher John Alcott (of Borry Hackman's girltriend Joanna macy and action scenes. Photo-Cassldy. These, we swiftly grapher John Alcott (of Borry learn, are Top People. Note Lyndon and The Shiningl is one of those photographers creates a dust-burnished panowhose pictures fly straight out rama of upheaval and struggle. of the camera ond on to a roma of upheaval and struggle. Tama Miss Cassidy is the hottest reportorial thing on two worn-denimmed legs.

Once Into Nicaragua, their and south—don't rear up like author's messages, poking you rudely in the eye, but are absorbed into the realistic swell of the dialogue. And the performances have grit and real character muscle: dough-faced Hackman, seasawing hetween the plaintive and the puckish, Cassidy with her suffering-stained good looks, and craggy Nolte with his voice like an ill-

oiled piston. Having sald which, the film's didactic drift is often specious and it ends with a let's-all-havemost lucid speech in the movie (anti-Marxist). But since he's about to have his bead blown off at the time we're not really keyed into the finer points of political dialectic. Under Fire should bave used Trinignant

halanced distribution of sympathles with its red-hot story-line—and its evocation of place and character-intact.

Stor Struck an Australian rock musical, is the kind of aberration that one sometimes thinks only the cinema can produce. | Until the theatre com along with Jean Seberg). Gillian Armstrong, who directed My Brilliant Career, here goes in for what publicity band-outs tend to call " a complete change of pace": the change of pace consisting here of being knocked stationary in the early stages of a brilliant career by the steamroller of commercial imperatives. I am assuming, charitably and hopefully, that Miss Armstrong did not chase after this project herself,

Jo Kennedy is Jackle, a Sydney barmald with singing aspirations, and Ross O'Donovan is Angus, ber young brother and would-be manager. Miss K sings like a Strine Toyah, sports what seems to he a tall bird's nest instead of bair, and goes to auditions wearing a shlny hlack toutou in the form of an LP.
Mr O'D sports a fixed smirk,
glassy eyes and bright plastic
complexion, as if he is audition-

ing for a role in Thunderbirds.
Actually they have their sights set on a New Year's Eve pop gala at the Sydney Opera House. And despite the unhelpful comments of Auntie Pearl—
Why do you keen singing them a-revolution tableau that should be chopped up and used for Free World firewood. Ironic-ally it's Trintignant's flam-causing the patrons to mutter

ally gaudy costumes and equally gaudy singing and acting? After the excessive good taste of My Brilliont Coreer, Miss Arm-strong bere shows she can swing right to the opposite ex-treme, Perbaps in her next film she'll take a divining rod and track down the Golden Mean.

The Prize of Peril shows that there is at least one consolation for having joined the EEC. It gives us greater access to the French talent mountain known as Michel Piccoli. In this futuristic French thriller Piccoli plays the unctuously efferves-cent bost of a TV game show. Each week's new contestant in the popular "Le Prix du Danger" has to scurry about Paris being pursued by real assassins, not to mention a camera team. If he survives he wins \$1m. If he dles, requtescot in pacc.

This loony Sci-Fi Idea bowls merrily along under Yves Boisset's direction until about half an hour from the end, when it dies a horrible death crushed under the weight of its own gimmickry. The film is like Network meets The Hounds of Zoroff. But Piccoli acts with imperious and transcendent dis-tinction throughout: a seedy. exuberant front-man, glistening with dishonest sweat and able to hoist into greatness the feat of tiny patter. Bruce Forsyth should look to his Jaurels.

Londoners should look, during dark thoughts into their Bunuel season at the National Fosters. Come the hig day, they Film Theatre. The late Spanish leap up oo to the Opera House maestro spent nearly 50 years leap up oo to the Opera House stage and treat us all to the "hig number," which seems distinguishable only in decibels from all the small numbers which have preceded it.

This Theatre. The late Spanish maestro spent nearly 50 years elegantly pranging taboos—social, sexual and religious—and the fruits of his labour are on priceless display here. The retrospective contains virtually retrospective contains virtually
But bow can you feel mean all his work both as director and as producer and lasts until

proper begins, whose sequence more and agitprop simplicities of surprise twists you will not less. The film has the power to a film whose idiocy is conforce from me even with hot to survive even a more ducted at macb-2, with bysteric-

Arts Council shifts the burden

up with its alternative for local alternative channel of funding funding of the arts, given the the arts only as a second fact that the Government seems determined to abolish the Greater London Council and the metropolitan county councils which hetween them pump about £30m a year into arts activities in their regions.

The council suggests the establishment of jointly constituted local authority boards, or precept on constituent authori- quick to point out that "it does signs are that be has been suc-

The Arts Council has come Council itself should act as the option.

> It believes, probably quite rightly, that if it were given the job of meeting the deficit created by the loss of the regional councils, the local authorities would feel that they needed to make little or no provision for the arts.

to abolish the GLC and MCCs" it goes on to state that they
"have been unquestioned
leaders in the field of local
authority support for the arts" and " it is difficult to envisage alternative arrangements which would serve the arts as well." It is to be hoped that Lord Gowrle, Minister for the Arts. bas persuaded the Government to make good the support for the arts lost by the abolition Although the Arts Council is of the regional councils. The

boards to superintend the subsidy to local arts groups may be beyond anyone's power and the Arts Council may be asked to shoulder the responsibility. with the carrot and the stick applied to local authorities to persuade them to make some contribution.

Although the situation does not look as desperate as it did a month ago, there is still some way to go before a feasible funding by regional councila.

Antony Thorncroft

ries. Rather surprisingly It not seek to comment on the cessful in defending his patch. recommends that the Arts Government's general intention Setting up local authority Percussions de Strasbourg/Bloomsbury Theatre

Andrew Clements

cil's Contemporary Music Network tours to get under way at
the Bloomabury Theatre was
the Bloomabury Theatre was
that by Les Percussions de

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with aleatoric scores and mobile
work tours to get under way at
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that by Les Percussions de

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the pr Strasbourg. After London, the tive treatment now. Yet Les six percussionists are due in Percussions play with such Bristol tomorrow, and in the vigour and palpable physical in-Midlands and North next week. They should not be missed, for they tend to sweep one's their programme contains at theoretical misgivings aside, least one work of outstanding even to the extent of injecting

the group has commissioned a host of composers to provide it with a repertoire and remained its exclusive property. We heard three of them lost night, all written within the last five years. There is some bells, marimba and vibraphones, thing inescapably dated about glockensplels and timpani—in the idea of music for six per-cussionists. It belongs truth-sionolly

The latest of the Arts Coun. fully in the early 1960s, along schemes. Hiérophonie V began six specially constructed metalvolvement that in performance interest into music that is in reality preciously thin.

structurally crude. Aera juxta-posed rhythmic layers played on

with dramatically fierce attacks, lie instruments, the Six-Xens. accompanied by ritualistic cries, faded to quiet, more sustained sounds, and worked itself up again to a noisily spectacular conclusion. Without the visual distraction of the players' organisation and co-ordination nelther piece would bave beld the attention.

In every respect Xenakis' Pleiades dwarfed its companions. It is constructed on an Francois Bernard Mache's ample scale—four movements, Aera and Yoshihisa Taira'a lasting 45 minutes—and not only Hierophonie V were both materi-ally thin and, more disturbingly, sources of the ensemble, but extends them. Essentially it sity for the drums alone music contrasts two systems of tuning that grabs the listener by the giockensplels and timpani—in devised by the composer that assault, and it exploits the virsionolly teasing harmonic tones, and which is planted to the composer that assault are too tones, and which is planted to the composer that assault are too this group.

The central pair of movements places these two systems in direct opposition, one a toccata for metallophones, the other its complement on the Six Xens, twisting into extraordinary harmouic and tonal regions and weaving rhythmic patterns of enormous fasmination.

Around them Xenakis places a movement that mingles the sounds and polyrhythms of these two groups with those of drums, and closes the work with an extraordinary display of virtuo

Satu Salo/Purcell Room

David Murray

ambitious, but immensely long much. It included many of the chief ornaments of the harp reperloire: both of Faure's lovely pieces, Hindemith's Sonala, the Britten Suite, C.P.E. Bach's and a closing four-voice fugue), Sonata and Roussel's Impromptu —and a substantial new piece by Ronald Stevenson, the Fontasio

nesday that was not only holdly of it would still have been too good declamatory sense in the though not enough to forgive

The · proved to consist of seven sec-tions (including a passacaglia, canons at all the usual intervals

Salu Salo, a Finnish harpisl. Polifonica, and Byrd and Alvars Miss Salo had played earlier in passages (and much of her offered a programme on Wedang Sibelius and Milhaud. Less transcription. She showed some chosen music was laxing), Fontasio, which requires plenty the continual mishaps in Faure's

canons at all the usual intervals than a few hars seemed beyond the root of the problem was and a closing four-voice fugue), her powers. In a nuishell, diffinerves, or perhaps just a long assiduously developed from a cult bars imped and easy bars absence from the solo platform: phrase of the Sibelius piece — trotted away. There were clear better to draw a veil over the "The Harper," for plano—which signs of competence in many whole affair,

Impromptu: the fitful progress Almost everywhere else, keeping any rhythm going for more than a few hars seemed to more than a few hard seemed to more tha

The charm of this gallery is that it bas kept its character as a private patrician art collection. Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until magnificent illuminated version of

Arts Week F IS ISui M ITu With 10111 12 13 14 15 16

Opera and Ballet

PARIS

Khovanshehina - Massorgski's pow-erful historic fresco of the Russia of Peter the Great magnificently produced by Pier Luigi Pizzi with Woldemar Nelsson's inspired conducting of the Colonne On hestra at the TMP-Chatelet (233-444).

Maurice Bejart and the XXth Century Ballett Messe Pour le Temps Futur, expressing the anxiety, the hope, the fastination of the future. Palais des Congres. 1266 2973).

LONBON

Royal Opera, Covent Garden: After a long wait, and two cancellations in past seasons, the Royal Opera finally brings into port its first staging of Giordano's Andrea Chemen, a second-rank Italian opera of undeniable merit. The cast is led by José

NEW YORK Cats (Winter Garden): Still a sellout

Trever Nume's production of T. S.

only in the sense of a rather staid

and overblown idea of theatricality. La Cage aux Folles | Palacel: Perhaps

this season's outstanding musical comes, like Evita and Cats before it,

the hoopla, apart from the first-act finale a la Gaite Parisienne, but the

inumate moments borrowed direct from the film. (757 2626)

42nd Street (Majestic): An immodest celebration of the beyday of Broad-

ately brosh and leggy hooling by a large chorus line. (977,9020)

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and

touching story of a drag queen from backstage to loneliness incorporates

all the wild histrionics in between

down to the confrontation with his

doting Jewish mother. (944 9450)

Dreamgirls (Imperial): Michael Ben-

nett's latest musical has now be-come a stalwart Broadway presence despite the forced effort to recreate

the career of a 1960s female pop group, a la Supremes, without the quality of their music. (2396200). Nine (46th St): Two dozeo women sur-

round Sergio Franchi in this Tony-award winning musical version of the Fellini film B½, which like the

original celebrates creativity, here as a series of Tommy Tune's excit-

sian accept leads an exuberant cast

1936 sendup of Russian ballet tours,

complete with Slaughter on Tenth
Avenue choreographed by George
Balanchine and directed, like the
original, by George Abbott.

(9779370) Brighton Beach Memolrs (Neil Si-

mon): If he wasn't sure before, playwright Neil Simoo can expect a

long ruo of his funny as well as

touching childhood reminiscence now that the Nederlander organiza-tion generously decided to came the

theatre after the generation's out-standing box office draw. (7578846) Chorus Line (Shubert): The longest-running musical ever in America

has not only supported Joseph Papp's Public Theater for eight

rapps Public Ineater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (2395200)

armen (Vivian Beaumont): Peter

Brook bas done an excellent job in transforming this Lincoln Center landmark into a spruced-up version of his grubbier Paris Bouffe du Nord

home for a fast-paced, stripped-

down seven-performer, but who

Death of A Salesman (Blackstone): A

new production with Dustin Hoff-man as Willy Lomen stars a cross-

ITALY

Milan: Palazzo Della Permanente: Os-kar Kokoschka (1906-1924) drawings

and watercolours. Ends March 11. Venice: Museo Correr: Until a year

ago, there was not a single painting by this Veoctian master to be seen

in the city (there were in fact two -

but in private collections). The local council has now acquired two large and splendid paintings with inter-

esting documentation concerning their restoration.

Florence. Pitti Palace: Raphael paint-

rings and drawings. The exhibition has drawn such huge crowds that the opening hours have been extended - something almost unheard

of in Italy. Now open from 9am until

Rome: Galleria di Palazzo Spada. Piaz-za Capo di Ferro: Beautiful seven-

teenth century palace containing a fine collection of paintings of the

same period. The building has been closed for restoration for some time and re-opened this week. It is also

possible to visit the Room Of The

Four Seasons, normally closed, with

its beautiful mouldings by Mazzoni.

7pm (closed Monday).

Exhibitions

lng scenes. (2460248)
On Your Toes (Virgiola): Galina Pano-

Eliot children's poetry set in tren music is visually startling and choreographically feline, but classic

Theatre

Bernd Weikl, the production, shared with Cologne, is by the admired Michael Hampe; and the conductor is the Welsh National's Richard Armstrong. Also in repertory, the successful Boheme revival, with Ilono Tokody, Dennis O'Neill, and Themas Allen, conducted by John Mnucert. (249 1066).

English Notional Opera, Coltseum; The new production of The Master singers of Nuremberg by Elijah Moshinsky, conducted by Mark Elder, alternates with the fragrant Traviata revival (with Nelly Mirrcioiu lambent in the title role) and the ENO's much-praised Gilbert and Sullivan, Patience. (8363161).

Royal Opera House, Covent Garden: The Reyal Ballet has performances of Swan Lake and La Fille mal gar-

Milan: Teatro alla scalo: Giselle - with haly's two top ballernas, Carla Fracci and Elisabetta Terabust dan-cing alternately: Wagner's Tann-hauser conducted by Georges Pre-

re. (89) 126].

Featro Nuovo: Leading ballerina Carla
Fracci directed by her husband
Beppe Menegati in a successful
series of nine historical portraits of great dancers of the last century. [700/36].

Rome: Teatro dell'Opera: Opera Bulta, La Perichole by Offenbach, La Cenerentola (La Scala production).

(461755]. Vaples: Testro San Carlos: Don Carlos conducted by Daniel Oren. (418268).

country tour destined to end on Broadway at the end of March. Ends Feb 18.

wash. Ends red 20 (443,000).

R.[Forum]: Moving into its second year parodying melodramo to a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. [496 3000]

WASHINGTON

at the very beginning of the theatr-cal year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not Beyond Therapy (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personals column of a newspaper and a scene in a bip restaurant, but

ambitious woman in this thio musi-cal that was a Tony winner io a had year on Broadway, Ends Feb 12. Kennedy Center (2543770)

Old Vic after the departure of Blondel to the Aldwych. (2287616).
Little Shop of Horrors (Comedy):
Campy off-Broadway import which is less good than The Rocky Horror Picture Show bul which has a curi ous charm, a full-blown perfor-mance from Ellen Greene and an

Landen superb, yet again, as a gar-rulous drunk. (8363878).

Tales From Hollywood (Olivier): Near-ly the last chance to catch Christo-pher Hampton's witly scenario for Hay Fever (Queen's): Penelope Keith is more "right" for Judith Bliss than were either Edith Evans or Celia

Clifford Williams. (4373636). The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's lasci-oating complex, slightly flawed new play. Peter Wood's production

Glengarry Glen Ross (Goodman Studio): Gregory Mosher directs David Mame's story of Chicago real estate dealers which premiered of the National Theatre in London. Here the cast includes Mike Nussbaum, Joe Mantegna, James Tolkan and J.T. Walsh. Ends Feb 26 (4433800).

it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300) forman of the Year (Opera House); Lauren Bacall plays an overbearing. way in the 30s incorporates gems from the original film like Souffle Off To Buffalo with the appropri-

LONDON

Master Class (Old Vic): Timothy West as Stalin confronting Shostakovich and Prokofiev with charges of de-generacy in their music. David Pownall's gripping new play is sec-ond into the beautifully refurbished

exoccally expanding man-eating prickly plant. (930:2578).

Sufficient Carbohydrate (Albery): Transfer after a sold-out season at Hampstead for Dennis Potter's menopausal, over-symbolic but tru-culently written comedy on a gleaming white Greek island set. Dinsdale

Austrian emigres in Hollywood be tween the wars. Michael Gamhon is the playwright von Horvath, lan McDiarmid a vulpine, cynical Brecht, Large-scale epic play, lunny and thought-provoking on the sub-ject of the Artists in exile. (928 2252). Johnson. She is very funny, win somely autocratic, distracted. The supporting actors roll over without protest. (734 1166).

k of Lies (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the subur-ban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendsbio of neighbours. The story is based on fact and well directed by

strikes a happy note of serious levi ty. (8362860/4143)

the gospeis io Europe, is jouned by a hoard ol bronze, silver and gold treasures, all linely wrought and many of them encrusted with jewels – a reminder that long before its present troubles, Ireland bad its golden age and was the last repository of Western art and learning to lail to the Vikings.

PARIS

Francis Bacon: His work - even in his

recent paintings - continues tor-meoted and the anguish is height-

ened by the mixture of a realistic ex

ecution combined with an irrationa

representation of the strained and

Maeght-Lelong [563 t319]. Closed Sun. Ends Feb 25.

showing four paintings by Peter Bruegel the Younger and 30 land-scapes by bis contemporaries, full of the colour, verve and earthy joie de vivre associated with Dutch and

Flemish 15th and 16th century art. 21, Quai Voltaire. Closed Sun. Ends

LONDON

Royal Academy: The Genius of Venice - we are treated to o show in the

grand old manner of the Royal Academy's Winter Exhibitions. It

treats us to exclusively the painting

and, to a lesser extent, the sculp

ture, that Venice produced in the 16th century. If Bellini and Carpac-cio are honoured more by their ab-

March 17 (261 3879).

Galerie de Jonckbeere celebrates its extension from Brussels to Paris by

sted buman body. Galerie

month is a new production of Don-Pasquale produced by Renate Ac-kermann, it has Gunther Reich in the lith role and Barbara Bonney. one of the brightest young talents on the operatic scene, in the part of

on the operature state, in the part of Norma. Pariser Leben is a well done repertory performance. La Travista has Paula Page in the part of Violetta. Cav and Pag have fine interpretations by Muria Saltmaru and Seppgo Ruobenen, (25621).

Berlin, Deutsche Oper: Premiering this week is a Jeon Pierre-Ponnelle production of Fidelio, conducted by Daniel Barenboim. It brings together star lenor Peter Hofmann as Florestan und Cutarina Ligendza as Leonore. Further performances are Ariadne auf Naxos perfectly east with Edita Gruberova and Jams

with Edita Gruberova and Jams Martin as well as Don Glovanni ti leatures Edda Moser and Bengt Rundgren, (34381). Suittgart, Württembergische Staats-oper: There bus been much ap-plause for Idomenco, Harry Kup-

fer's first Mozart production. Klaus Ningora makes his debut as conduc tor. Don Pasquale bas Wolfgang Prebst and Yasuko Kazak. The

week also includes Karl Orlf's resely-played Die Kluge (20321). Hamburg, Staatsoper: Don Carlos highlights the week with Ruggiero Ramondi, Elena Obraszowa and Luis Luma io the leading roles. Die dwith outstanding lagrid Sjöner Brant Tristan und Isolde is presented with outstanding Ingrid Bjöner und Spas Wenkoff in the title roles Idomeneo, sung in Italian, is worth-a visit with Peter Schrier and Pame-la Coburn. Die Entführung aus dem Serul convinces thanks to Edite Gruberova and Peter Schupter in

the leading parts. Orpheus and Eurydike stars Lucia Popp. Die Lusingen Weiber von Wiodeer rounds off the week. (21851). NEW YORK

Metropolitan Opera (Opera House); First seasonal performance of Tannhauser conducted by James Levine joins the new Rinaldo proconducted by Mario Bernardiretion conducted by Mario Bernar-di and starring Marilyn Horne; Stra-vinsky with the Met Ballet and sets by David Hockney; and Peter Halls' production of Macbeth, premiered last season with Reanta Scotto as Lady Macbeth and Sherrill Milnes as Macbeth, Lincoln Center, (580 9830).

(580 9830). New York City Ballet (New York State Theaire): The fand weeks of the company's season of mixed reperto of Afternoon of a Foun Scotch Symphony and Kammermusik, Lancoln Center, (870 5570).



Yehudi Menuhin, performing with the Cincinnati Symphony

Music

LONDON

Philharmonia Orthestra and Chorus conducted by Vladimir Ashkenary with Sheila Armstrong, soprano. with Sheila Armstrong, soprano, Felicity Palmer, mezzosoprano, Dennis Bailey, tenor and John Shirley-Quirk bass, Beethoven, Royal Festival Holl (Mon), (203191) Helsinki Philharmonic Orchestra conducted by Paavo Berglund with Bernard d'Ascoli, plano, Sibelius and List, Royal Festival Hall (Tue). Neille Akopian, plano: Bach, Schubert and Schumann, Queen Elizabeth Hall (Tue), (203191)

London Mozart Players cooducted by Harry Blech with Malcolm Messi-

ter, obce, and Ernst Kovacic, Mozart and Haydo. Royal Festival Hall

English Chamber Orchestra conducted by Sleuart Bedford with Murray Perahia, director/piano and Ra-phael Wallfisch, cello. Mozart and Britten. Queen Elizabeth Hall (Wed). don Philharmonie Orchestra conducted by Klaus Tennstedt with Pe-ter Donohoe, plano. Messiaen, Pro-kofiev and Tchaikovsky. Royal Fes-

tival Hall (Thur). BRUSSFLS

Royal Philharmonic Orchestra, Lon-don, conducted by Antal Doroti with Ilse von Alpenheim, piano. Tippett, Beethoveo and Tchaikovsky, Palais

Charles Andre Linale, violin, Jean Koerner, piaco: Schumann, Debussy, Shostakovich sonatas (Mon). Cité Universitaire, 21 Bd Jourdan

Quatuor lyaldi: Lekeu, Weber Brahms (Mon) Radio France-Grand Auditorium (524 1518) Viorica Cortez, Mezzosoprano, An-toine Garcin, Baryton, James John-

son, Piano: Donizetti, Ravel, Pou-lene, Bizet (6.30pm).

Rene Kollo, tenor, frwin Gage, piano: Wolf, R. Strauss, Schubert (8.30pm) Both concerts Mon, TMP-Chatelet (2334444)Baste Chamber Orchestra, Maria-Joao

Pires, piano Mozart, (Tue). Théôtre des Chomps Élysees (7234777)

sence, since the panels now are just

too fragile to travel (though the Lion of St Mark's is Carpaccio's), there is so much that has been brought in

so much that has been brought in from all over the world that compensation is hardly the world. So, from the shadowy, speculative presence of Giorgione in the beginning, to the emotional extravagance of Tintoretto filling the lecture room at the end, and in between the great spaces of the Academy filled with Tirian, Veronese, Bassano, Lotto, et al., we are indulged in a way unlikely ever to be repeated in our time, if at all. Ends March 11

BRUSSELS

Missie d'Art et Histoire: Reconstruc-tion of the chamber of the Bulls of the Lascaux Grottos, closed to the public through fear of damage and pollution affecting the drawings.

WEST GERMANY

Tubingen, Kunsthalle: Edgar Degas. The most comprehensive Degas ex-hibition ever shown in the Federal

Republic. More than 200 drowings, postels and oil sketches document all periods of the French impres-

ist's ceuvre. Ends March 25. Hamburg, Kunstverein, Glockengiess-

lamburg, Kunstverein, Glockengiess-erwall: Jonothan Borofsky – draw-ings from between 1980 and 1983 has roughly 200 sheets which under-line the artist's mottoes "art is for the spiril" and "roolity is not what you think it le " Parke Bab 98

anover, Forum des Nieder-sächsischen Landesmuseums, 8-11

you think it is." Ends Feb 26.

Orchestra at Carnegie Hall Orchestre National de France conduct ed by Lorin Maazel with the Radio

Fronce Choir: Bertinz - Grande Messe des Morts (Thur) Bosilique de Saint-Denis, Metro Soint-Denis **NEW YORK**

New York Philharmonic (Avery Fisher Hall): Zubin Mehta cooducting, Haydn, Berg (Tue): Zubin Mehta cooducting, Radu Lupu piano, New York Choral Artists directed by Jo-seph Flummerfelt. Webern, Mozart, seph Flummerielt-Webern, Mozart, Holst (Thur). Luccoln Center (8742424)

(Carnegue Hall); Michael Gieleo con-ducting, Yehudi Menuhin, violin. Berg, Schubert (Mon); Michael Gle-len conducting, Teresa Berganza mescagnizano. Kienner. Berliot. (Tue) (2477459)

WASHINGTON Concert Hall: National Symphony, Rafael Fruhbeck de Burgos conduct-

ing, Andre Watts piano. Barber, Rachmaninoff, Dvorak. CHICAGO

Chicago Symphony (Orchestra Hall): Leonard Slatkin conducting Haydn, Bax, Sibelius (Thur) (4358122)

tile da Fabriano Concerto Italiano: Sammartini, Pergolesi and Boccher-lnı (Wed) (37.33.04) uditorio di via Della Conciliazione, Accademia di St Cecilia: symphonies by Mozart and Prokofiev conducted by Efrem Kurtz (Sun, Mon and Tue) (85.10.44)

Rome: Teatro Olympico Piazza: Gen-

ZURICH

Tonhalie: Concert performance of Ver-di's Glovanna d'Arco conducted by Nello Santi with Margaret Price and Ernesto Veronelli (Tue); Bella Davidovich, piano. Chopin and Schumann (Thur)

HONG KONG

Pittsburgh Symphony Orchestra plays
Tippett's Concerto for Double String
Orchestra, conducted by the conposer. City Hall Concert Hall (Wed)

Am Markt: Paintings and clothes from the period between classicism and art deco. Ends Feb. 29

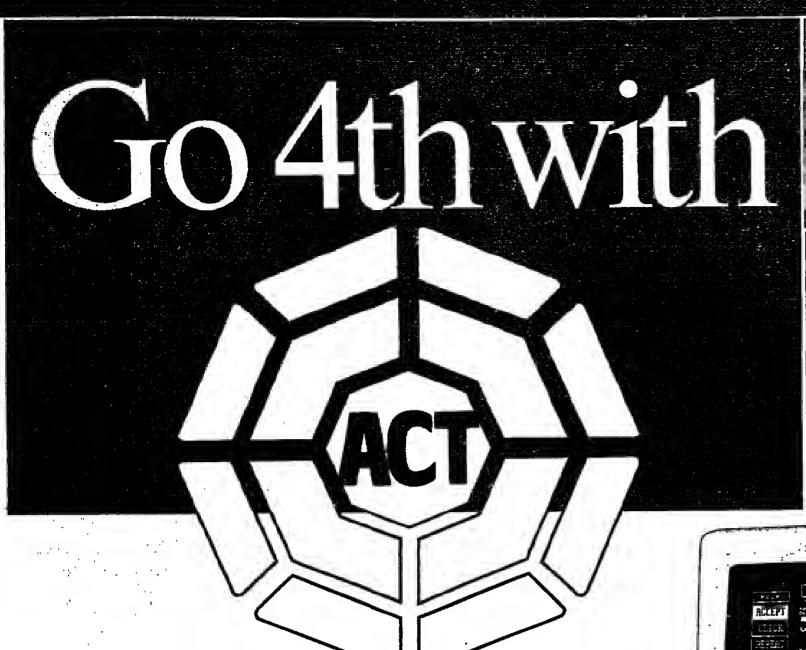
Cantor Sculpture Centre: Set against a spectacular view of New York stop the World Trade Tower, 35 Rodin sculptures are displayed in the en-largements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Ceoter, 105th storey

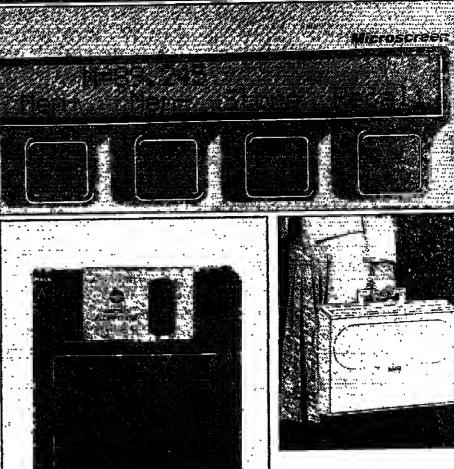
WASHINGTON

conardo's Last Supper (Notional Gollery): Although the refectory of the Church of Santa Maria della Grazie has not been brought from Milan, this clever exhibit does the next best thing in combining pre-paratory studies drawn from the Queen's collection in Windsor Castle with photos and a film of the restoration and works done after the Last Supper, including a series by Rem-brandt. Ends March 4.

CHICAGO

Museum of Contemporary Art: With the assertion: The arts to West Germany today are dynamic ond strong, and constitute one of the most important sources for contem-porary art trends in Europe and America," this recent Chicago insntution is putting on three Germun tor Roth and f00 works of five neo-





"I will confidently state that the Apricot is the best micro I have yet seen in terms of its facilities and user interface." Personal Computer World October 1983

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Tax law principle ended by Lords

Ruling strikes at legitimacy of artificial transactions to avoid liability

schemes to avoid tax payment was dealt a death blow yesterday by a judgment of the House of Lords,

Implicitly overturning a principle of UK tax law over the last half-century. Lord Bridge of Harwich said the courts could examine the com-mercial substance of a series of legal form when ruling on tax

land Revenue was formulated in doubts about the efficacy of a wide yesteroay: "If I have a choice of two cfi-the-peg avoidance schemes sold tions designed to reduce tax.

transactions and look beneath their covenant, the "bed-ano-breakfast-

Lords yesterday to overrule the tween subsidiaries in a group to series of transactions designed to Court of Appeal in favour of the In-

range of uncontroversial transac- ways of doing something, do I now by the Rossminster Group have to choose the way that means

land Revenue was formulated in Mr Eddie Ray, a tax partner at in the perpetrator's tax liability, wide-ranging terms and raises accountants Spicer and Peg'er, said. That ruling undermined many of doubts about the effective terms.

But in the case decided yesterday, the taxpayer. Mr George Daw-They include making payments I pay more tax?"

to a student child by means of a covenant, the "bed-and-breakfast- against tax avoidance schemes was arming to achieve a change of com-

The decision of the five Law tax bill, or the transfer of assets be- that they could disregard a circular defer his liability to capital gains tax, he sold them through an Isle of

Lord Brightman, who delivered the main judgment, described the transactions as "a simple and honest scheme which merely seeks to defer payment of tax." But he ruled that even if a pre-ordained series of transactions achieved a legitimate commercial end, the courts would ing of shares over an account perimade by the House of Lords three mercial substance, namely the sale disregard any steps in the series into do reduce a future capital gains years ago. The judges decided then of his shares in a company. But to serted purely to avoid tax.

Scott Lithgow shipyard 'still open to offers'

BY PETER RIDDELL, POLITICAL EDITOR

mrs margaret thatcher, the Prime Minister, told the House of Commons yesterday that al-though conditional agreement had been reached for Trafalgar House, the UK property and shipping group to take over the Scott Lithgow shipyard, it remained open for

other companies to make offers.

The Prime Minister added, however, "Time is running out." She deshipvard, in south-west Scotland, as the only hope of saving jobs there. The yard is part of the nationalised British Shipbuilders, which

announced plans to close it after Britoil cancelled a £86m rig con-Mrs Thatcher deplored union opposition to the proposed sale. Work-ers at the yard yesterday walked

out in protest and union leaders said it was a "spontaneous gut reaction, which meant that privatisa-tion would have to have union cooperation.

There will be no deal based on compulsory redundancies and the massacre of jobs in this communi-

ty." Mr Duncan McNeill, a local union official, said. Trafalgar House said it could save 2,000 of the 4,000 jobs initially, but would eventually expect to em-

ploy a nucleus of about 1,250. Mr Norman Lamont, Industry Minister, told the Commons that British Shipbuilders had been right to get on with quick negotiations in view of the seriousness of the posi-tion at Scott Lithgow. He told MPs that any agreement would require the approval of the Government and be assured questioners that all

serious bids would be considered. His and Mrs Thatcher's remarks reflected a desire in Whitehall not to rule out any options in the face of George Younger, the Scottish Sec-



lillen

Graham Day, chairman British Shipbuilders

retary - regard as an attempt by Mr. Graham Day, chairman of British Shipbuilders, and Trafalgar House to hurry them into a deal.

Officials. expect that groups, notably Bechtel, UK subsidiary of the U.S. engineering group, and the Anglo-French company Howard Doris, will make detail offers next week.

It was emphasised by officials that the conditional deal with Trafalgar House still depended on agreement being reached with Britoil over the disputed rig contract, and that was far from settled.

Britoil said yesterday it was not satisfied with the proposals made by the three companies interested

in taking over the yard. • Fears for the future of the Cammell Laird shipyard on Merseyside rose vesterday when workers rejected terms for a £7-a-week productivity deal agreed by British Shipbuilders and national union of-

Two other prominent yards have also rejected the deal - Vickers at Barrow-in-Furness, north-west England, and Yarrow on the Clyde. Editorial comment, Page 12

Crucial union talks for TV channel

BY OUR LABOUR STAFF

breakfast television company, TVam, bangs on a crucial meeting this morning of the main technicians'

The Association of Cinematograph, Television and Allied Technicians (ACTT) is expected narrowly to endorse a compromise costcutting formula worked out last the company. But despite guarded optimism on both sides the situa- Daily and Sunday Express, came to tion was still regarded as serious.

night's discussions centred on get-ting El.5m savings required pany.

THE FUTURE of the troubled through changes in working prac-

About E3m has now been pledged from shareholders to help the company over the next few weeks. Although costs have already been brought down from £21m a year to £14m, senior management is adamant that further savings of more than £1m can be made.

the rescue of TV-am in November TV-am management has with- last year with a £2m investment drawn the demand for up to 60 regiving it 20 per cent of the equity. It duodancies from ACTT and the Na- was part of a E4.5m refinancing of tional Union of Journalists. Last the channel which, at the time, was

Guidelines on spending

penditure levels arising from exist-dustrial holding company.

ing policy commitments. Mr Nigel Lawson, Chancellor of the Exchequer, told the House of commons yesterday that approval the bid which must close at the end had finally been given to bis pro- of this month. It cannot be inposal that the Government should provide the information needed for a well-informed public debate on

expenditure issues. last night in the first vote during the committee stage of the Tele-communications Bill, which paves the way for the privatisation of

Britisb Telecom.

More than 150 amendments have been tabled, many by a group of Conservative and independent Conservative and independent Conservative and independent Conservative and independent Conservative peers concerned about the effect of the Bill on British manufacturers of

THE TREASURY is to publish a per share in contrast to the contest-consultative paper setting out the ed bid worth £212m, or 150p per implications of projected public ex- sbare, from Hanson Trust, the in-

The revaluation forms almost the

creased after next Tuesday. Lex, Page 14

• WORKERS at the Austin Rover THE GOVERNMENT'S majority ed a call from union officials to end fell to four in the House of Lords a week-old strike over job transfers as week-old strike over job transfers. which has halted output of the Rover and Acclaim cars

• MR MICHAEL POSNER, recently chairman of the Social Science Research Council, is to become next

 THE SOCIAL Democratic Party/ Liberal alliance bas pushed the To-ries into third place in the run-up to the Chesterfield by-election in • LONDON BRICK said its assets which Mr Tony Benn is fighting the had been valued at £300m, or 215p seat for Labour.

Vestric's ICL central

small headache.

It began with one The ICL Personal Computer has been From January 1984, prescribed for five hundred chemists.

chemists have had to produce a typed or printed label to go will be able to place their orders directly, and find out on prescriptions.

Vestric, who are the largest pharmaceutical wholesalers in the UK, decided that the ICL Personal Computer provided a simple, cost-effective way of meeting

this need. Accordingly, Vestric have nearly completed installing ICL Personal Computers in 500 independent chemist shops around the country.

One less headache for 500 chemists.

But now, those chemists are discovering they have a lot more than just a labelling machine on their hands. Every one of those ICL Personal

Computers will be connected on-line to We should be talking to each other.

system at their disposal.

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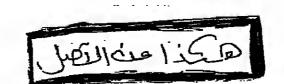
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AIR CANADA Intercontinental



UK NEWS

Mineworkers seek backing of unions for coal import ban

BY OUR LABOUR STAFF

MINEWORKERS are to seek the support of transport unions in Brit-ain in an attempt to enforce a total ban on coal imports which total 4m to 5m tonnes a year.
Any ban would be certain to

breach employment legislation aimed at prohibiting secondary or supportive industrial action, and would run counter to the Trades Union Congress (TUC) policy that all action should be lawful.

National Union of Mineworkers (NUM) leaders said yesterday that they would be meeting other unions
the Transport and General Workers and the rail and seamen's
unions - all of which have already pledged support in principle to an

The aim of a ban would be to put pressure on the National Coal Board (NCB) in its dispute with the NUM over a 5.2 per cent pay offer. Miners have been operating an overtime ban for 15 weeks in an ef-

fort to win a bigger offer.

Mr Arthur Scargill, NUM president, said yesterday that the ban was inflicting minimum damage on the union and maximum damage on the NCB. He described production losses as "quite staggering" and claimed a total loss of some 7m

The Energy Department has acknowledged that the NCB is heading for a loss of about £200m this financial year and, if the overtime ban continues, it says losses might approach £300m



Scargill: Production

losses 'staggering' Coal stocks have remained high throughout the overtime ban, but orkers have lost a substantial part of their earnings, since rouat collieries is normally done as

overtime working.

Much of Britain's coal output has been stockpiled because it cannot compete with the price of foreign coal. When Mr Ian MacGregor took over at the NCB last year he set himself the task of cutting the price of coal to industry. Cheaper British coal would cut the cost of electricity, since power stations are the NCB's biggest customer, Coal imports are already restrict-

ed. The Central Electricity Generating Board has estimated that if it were able to import coal for its Thames Estuary power stations the price would undercut the NCB by etween 10 and 20 per cent.

Notice of Redemption

Transocean Gulf Oil Company

8% Guaranteed Debentures Due 1986

(now Gulf Oil Corporation 8% Debentures Due 1986) NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of March 1, 1971, under which the above designated Debentures are issued, \$1,493,000, aggregate principal amount of such Debentures of the following distinctive numbers has been selected for redemption on March 1, 1984 (herein sometimes referred to as the redemption date):

STC to supply cable TV equipment

By Raymond Snoddy

STC is to enter the equipment market for cable television to challenge companies such as Plessey Scientifc Atlanta and GEC Jerrold.

STC Telecommunications yesterday announced the formation of a joint marketing company with Tex-scan of the U.S.

The company will initially sell Texscan cable television systems in the UK. Later, if the market warrants it, the products will be manufactured under licence in the UK. The aim is to try to sell Texscan equipment to the 11 companies

chosen by the UK Government to

develop interim cable franchises in Mr John Cottrell, managing di-rector of STC Telecommunications said yesterday. This new enterprise gives us the entry we bave been seeking into an important growth area of communications business, valued at £250m a year by

Texscan, which had net sales of more than \$54m last year, claims a 26 per cent share of the U.S. market in wideband distribution equip-

STC is particularly interested in the Tracs system developed by Texscan. It is a microelectronic controller located outside the home which means that only "authorised" television signals are delivered to the screen.

Banks connect new system of payments

BY ALAN CANE AND DAVID LASCELLES

CHAPS, the London retail banks' face to link non-settlement banks to electronic payments service inaugu- the system, and the question of the rated yesterday, came through its cut-off time, are still with us, but first day of operations with flying the system has performed well to-

Although most of the foreign Many merchant and foreign banks in London are refusing to banks are boycotting it on the adtake part in the system because of disagreements over a "common interface" to the Chaps network, and quibbles over the cut-off time, all there are also objections to the the main settlement banks went

live without problems. Some £32m, the sum of over 1,000 banks, but only 40 bave agreed to individual payments, were cleared take part. Many of these are the without a hitch through Chaps clearing banks and their offshoots. (clearing bouse automated payments system). All the clearing Hong Kong and Shanghai, and banks - which own and operate the service - bad settled their accounts other leading banks which have de through the Bank of England by cided to participate.
3.10pm, 10 minutes after the agreed Chaps is based on

clearing banks. "Champagne corks handle 8,000 transactions every 30 are popping." Citibank, a particiminutes. Any payment of £10,000 or pant bank, said it bad made several more made through the clearing transactions without error. Mr Eric Simmonds, Chaps pro-

The problem of the standard inter- er

3pm cut-off time.

Chaps could be used by up to 300 Swiss Bank Corporation are among

Chaps is based on eight U.S.-built Chaps is passed on eight U.S.-built cut-off time.

"Miracle of miracles, it works," tion for being "fail-safe." Trials said a spokesman for one of the bave shown that the system can banks will involve it

Chaps is also linked with Swift ject leader, said: "It has been a pret- the international communication ty good first day. Every settlement network through which banks send bank bas taken part in the system.

U.S. 'barred from contracts'

BY HUGH O'SHAUGHNESSY

barred getting contracts from the tary fund of \$3bn to top up the multi-billion dollar supplementary funds of the IDA.
fund which the British Government Last year the U.S. refused to is boping to launch to assist the In- agree to an increase of IDA funds ternatioal Development Association by \$12bn and settled for an increase (IDA), the soft loan arm of the of S9bn, although the higher figure

Mr Timothy Raison, Overseas donor countries. Development Minister, made this Mr Raison said that Britain clear in evidence to the House of would continue to try to persuade Commons Foreign Affairs Committhe Reagan Administration to ac tee. He said Britain was continuing cept the \$12bn figure.

U.S. COMPANIES would be de- its efforts to organise a supplem

had been accepted by a majority of

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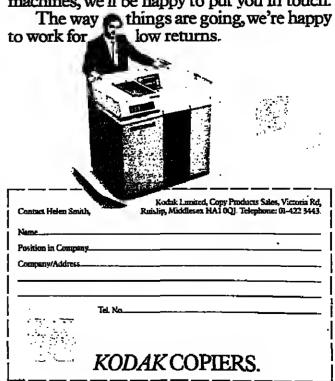
Given that Kodak copier contracts do not exactly nail you to the floor, this suggests that so far we haven't accumulated many dissatisfied customers.

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so far, seen no reason to send back their machines, we'll be happy to put you in touch.



January 30, 1984

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Friday February 10 1984

Debacle in Lebanon

PRESIDENT REAGAN'S sbrupt decision to withdraw the U.S. contingent from the multi-national force in Lehanon is a open two questions. Have any of the lessons of that unhappy iotervention been learned? Is there anything more useful that the outside world can do to ease, if not end, the Lebanese

For some months it bad been obvious that the multi-national force was not playing a constructive role in the maintenance of peace. At one time its function bad been repreits function bad been repre-sented as providing a breath-ing apace in which President Gemayel could restore some credibility to the Lebanesa army, and thus provide a con-text of minimum security within which political negotia-tions between the warring fac-

tions could take place. But, partly because of the prominence of the American presence in the force, it was widely suspected inside Lebanon and Syria of being an instrument of U.S. manipulation, and became less a force for peace than a target for its enemies.

Any residual hopes were smashed by the eroption of the Shi'ites and the collapse of the Lebanese army.

Diplomacy

Syrian suspicions of American intentions were no doubt over-done. America has a long and bonourable record of trying to promote the cause of peace in the Middle East, and the original motive for deploying the multinational force was to prevent any repetition of the massacres which had taken place

at Sabra and Chatilla.
Unfortunately, the promotion of peace by diplomacy is very different from the deployment of force, as if a certain kind of pesce can be imposed from outside. By its advocacy of tha May 17 agreement last year between tha Lebanese Government and Israel, by its public celebration of a "strategic alliance" between tha U.S. and alliance" between tha U.S. and Israel, and by the use of the heavy guns off-shore, the U.S. laid Itself open to the charge that its main aims were the maintenance of a Christian-dominated government, and the limitation of Syrian influence.

Given the facts of bistory and decision to withdraw the U.S. geography, such aims were contingent from the multi-never plausible, the collapse of national force in Lehanon is a realistic response to the facts on the ground. But it leaves Lebanon have deep roots which could not be removed by tha Israeli invasion, still less by the U.S. marines. For many years the majority Muslims acquiesced in Christian domination of tha political institutions; a few months ago it looked as if they months ago it looked as it they might be content with some partial reform of the system; today it is hard to believa that a stable national government can be resurrected under this, perbaps under any, Christian president S THE children raised their hands, Frau Annelles Fischer glinted

"Tom. . . could see. . . only many people and cameras,"

Rosario pronounced.

The teacher at the Karl Sim-rock School in Bonn nodded and

gloves on the seat of her desk.
While the German children's
English was rudimentary, it

would be bard to find s com-parable class in the UK ahle to speak any German at all. Or French for that mattar.

With few exceptions the only 15-year-olds taught a foreign language in UK state-maintained schools are children in the top third of the range of academic ability. Those ranked lower are

largely considered too dull to learn another tongue.

But none of Frau Fischer's class ranks in the top third of

tha range. Most are in the lower balf. Some are in the

bottom 20 per cent. And that is only one example of West

Germany's greater success with children whose intelligences run

in directions other than the

Why Germany succeeds better than Western countries in general and tha UK in particu-

lar is an urgent question now that Sir Keith Joseph has made

raising the educational attainments of such children the mainspring of his policy.

The Education Secretary's

bold and ambitious plan" is

"bold and ambitious plan" is
to stop the UK education service from concentrating overwhelmingly on the pnpils who
show a ready spitude for
scholarly subjects. In consequence the rest, whose aptitudes and interests lie elsewhere, are mostly left just to
go through the educational
motions and so to emerge from
11 years of combulsory school-

11 years of compulsory schooling with little by way of disci-plined knowledge and skill to

Without diminishing the academic attainments of the

keenest scholars, Sir Kelth claims, our schools could educate the less academic majority to far higher levels of achievement. West Germany's

example apparently supports

Britain's davotion of its best teaching to the scholarly minority pays off in terms of

tha costs of equipping them to obtain bachelor-level degrees

or equivalent qualifications.
In the UK, while only about
16 per cent of eligibly aged
people enter degree-level

show for it. Without

Hope

All bope may not yet be lost. The withdrawal of all or most of the multinational force may have a sobering effect on the warring factions, and persuade them that the time bas come for serious negotiations on a political settlement. There is a case for exploring the French idea that UN units should take over the role of the MNF, though the violence of the fight ing and the urban nature of the bitleground does not make this an inviting prospect.

If this idea were to gather support, tha U.S. Navy vessels

might bave a useful off-shore supply role to perform. But any rationale for the firing of the USS New Jersey's guns which may once have appeared to exist, has now vanished. The balance sheet of the past

20 months is lamentable. The U.S. marines can be quite quickly extricated, but the Israells are deeply embroiled in the southern half of Lebanon. The Syriams are more beavily armed than before, and may be expected sooner or later to step up their interventionist role. Mr Arafat's Palestinians have been driven. out of Beirut; but rockets are once more being fired into northern Israel. Lebanon is in a stata of virtual, but unstable, partition.

The U.S. Administration may fear that the episoda has damaged its reputation for consistency and resolution; tha Israelis can only see tha departure of the Americans as a defection. Others may fear that what has suffered is America's reputation for cantion and

The bidders for **Scott Lithgow**

A MONTH AGO, the Scott future, it was vital that it be Lithgow offsbore construction passed on to a new owner capyard on the Clyde bad apparently been written off as a with the past and convincing oppeless case. British Shiphuilders was in no position to support a facility which had played such a large part in its losses during recent years and the Government had made it plain that it was not going to pump in any more public money. Britoil had cancelled its £88m order for what had been billed as the world's most advanced exploration rig, work on which was about 30 per cent complete and running many months behind schedule. Today, in complete contrast,

three prospective buyers have publicly expressed an interest in taking over the yard, and British Shipbuilders anpears close to agreeing s des! with one of them, Trafalgar House, with what looks like unseemly hasta. Since the Government will have to cover the yard's very substantial—but unquantified—liabilities before any owner can be expected to take control, the reasons for this rapid turnaround are a matter of public interest.

It may well be that the decision to pay the price of a transfer of the yard to private transter of the yard to private ownership is soundly based. A growing market for semi-sub-mersible drilling rigs is thought likely to develop over the next few years, and in terms of its physical assets and deep water facilities. Scott Littigow is ideally placed to meet this demand. Its labour and management record in recent years agement record in recent years has been a disaster. But this was not always the case, and Gotaverkan Arendal of Sweden has shown that the production of these technologically of these technologically advanced vessels does not bave to be banded over to low cost are beginning to mount. More-builders in the Far East. There bave been signs within the past year that Scott Lithgow bas at drowning man does not hang year that Scott Lithgow bas at drowning man does not hang last been making real progress around to see if a second life problems involved in rig construction.

Consuman bas pointed out; a drowning man does not hang around to see if a second life belt might materialise.

Yet there is no disputetor

In addition, the cost to the Government of closing the yard on the Britoil contract would The time constraints imposed have been very substantial, by Britoil are genuine, but in the next week the Government account the social costs of more redundancies in an area of described high unemployment.

The time constraints imposed by Britoil are genuine, but in the next week the Government can and must evaluate the competing bids and negotiate a deal which makes the best economic in terms of potential liabilities nerately high unemployment. which Bnt, if the yard was to have a sense.

with the past and convincing prospective buyers that it could deliver. This was the back ground to the Prime Minister's announcement last week that the Government was prepared "to wipe the slate clean."

Reservations

Trafalgar House was quickest off the mark, and appears to be the favoured new owner—with British Shipbuilders and perhaps also in Downing Street. However, there are reserva-tions about whether Trafalgar is indeed the ideal candidate for the job.
Whoever takes on Scott Lith-

gow will have to win over three vitally interested parties—the workforce, Britoil, and future customers. Trafalgar, to say the least, appears to be facing an uphill task with the first of these groups, and has not yet been welcomed with open arms been welcomed with open arms by the second. As for the third, the view in the offshore supply industry appears to be that the company may not have sufficient technical qualifications to do the job especially by comparison with Bechtel, the U.S. company which is a rival candidate for companying Trafaler's case ownership. Trafalgar's case would look a lot more convincing if it was presented jointly with Gotaverken. But it seems for the moment that the Swedish company is likely to have a strictly limited role as technical advisor: it seems to have closer links with Howard

Doris, the third contender for the yard. There is evary reason for urgency in this transaction. Britoil needs the rig in time for the 1986 drilling season, and progress on its construction has been so slow that the odds against meeting this deadline

anger which the announcement of Trafalgar's conditional agree ment has provoked in Scotland. BRITISH AND GERMAN EDUCATION

A glaring contrast in approach

By Michael Dixon, Education Correspondent



6British schools devote their best teaching to the scholarly minority and pass on few skills to less academic children?

with their higher course unlonger studies in But, tha greater emphasis on preparing students for practical work. Engineering courses devota far more attention than the standard UK counterparts to

the practice as distinct from the science of engineering. They also differ hy including the study of management topics, as do Germany's undergraduate courses in less practically centred subjects such as economics. And the difference between the two systems in preparing people for working life at the highest levels of academic ability, is magnified many times over at the lower levels of the range. Of all the young people who become availabla for full-time

jobs each year in Britair, 60 per cent lack any qualification respected anywhare on the employment market. In Germany the figure is only

about 10 per cent,
The gulf is explained less
by variations in tha two countries' treatment of children at
school than by a sharp difference in the opportunities
available when they leave.
In the UK a total of about 33
per cent do well enough in comper cent do well enough in com-pulsory schooling to go on to further full-time study either for degrees or certificates of lower academic standing. Of the other 67 per cent, very few enter systematic training for-mally recognised by employers

people enter degree-level courses compared with 19 per at large.

Their chances of getting an apprenticeship, in particular, have declined in recent years.

Although employers in Britain cent in Germany, very few drop out before their final examinations and almost all graduate within four years. The time taken by German students is normally six to eight years and spent an estimated £2.5bn on training of all kinds in 1980 a greater proportion drop out (the latest year for which full

statistics are available), their was about £4.8bn — 91 per cent intake of new apprentices has more than Britain's employers dropped from 100,000-plus in spent on training as a whole. the early 1970s to at most 40,000 a year. Germany bas a centuries-old

tradition by which employers take a leading role in preparing young people for working life. Through their far more tightly organised chambers of commerce and industrial and craft associations, the employers provide the so-called dual-system apprenticeships. These mostly last three years during which the apprentices spend most of the week being trained on an employer's premises, and tha rest in classroom instruc-

The net cost to German employers of the dual-system apprenticeships alone in 1980

SIR KEITH JOSEPH'S PLAN

spent on training as a whole. The number of apprenticeships

available to a school-leaving population not much greater than that of the UK, is around 675,000 a year.

"In some trades the trainees way exceed employers' needs of skilled people," says Dr Peter Braun of the Federal Ministry of Education and Science in Bonn. "Wa train many surplus bakers, for example. But even if they cannot find a baker's job, they are often better equipped to work elsewhere."

In Germany the proportion who quit full-tima study immediately their compulsory schooling is over — 62 per cent — is rather lower than in

THE overall aim is to enable 80 to 90 per cent of children to reach the levels of know-ledge and skill now expected of only half, and in a wider and more useful range of studies. To this end, the Education Secretary proposes three main changes: three main changes:—

• Reforming the 16-plus examinations. Today these iargely measure each caudi date's performance primarily against the performances of the competing candidates, and pass grades are awarded to only a narrowly varying, preset percentage of entrants. The reformed exams will instead measure candidates against beachmark standards of knowledge and skill, and all who attain them will be awarded the appropriate

 Getting schools to define explicit objectives. There is not even broad agreement in the education service on what schools are supposed to achieve. Each of them should formulata clearly not only what they ought to teach but also what pupils ought to understand and be able to do as a result.

Overhauling the curri-culum. It should be broader in instilling social discipline as well as offering a bigger range of studies; more rele-vant to the real world as schoolchildren experience it; more varied in catering for different abilities and aptitudes; and more balanced so that the total teaching effort is geared to developing each pupil's full potential.

Britain, But five in six of the

German leavers have first obtained at least the minimum educational certificate manded by employers as a passport into dual system training.
It is only the remainder, numbering fewer than 100,000, whose lack of qualification con-signs them to the state-financed equivalent of the Youth Train-

ing Scheme which in Britain already provides more than 300,000 places in its first year of operation.
Schoolchildren's far greater success at getting soma respected qualification in Germany was not thought by any of the education officials and teachers I mat there to ba connected with the fact that unlike Britain, where four-fifths of secondary school pupils are in comprehensives, Germany largely retains a secondary-education system in which pupils are segregated into different types of schools sccord-

ferent types of schools seconding to academic ability. In particular the bulk of those who win their way into dual-system apprenticeships by gaining the minimum certificate come from secondary schools taking in only the least academically able—tha

Hanptschulen.

"The trick lies not in any structure of schooling." Dr Braun says. "It is in our society's moral pressure on employers big and small to provide apprenticeships. But it is not the carrot of many opportunities which motivates the children to study. It is the stick of their knowing that unless they get the minimum certificate they have little chance of becoming skilled workers. They know also that in Germany unskilled workers have absolutely zero status. These things have evolved by long tradition. You we cannot prosper apart."

could not bring them into being

It seems likely, therefore, that in the absence of any such tra-dition, UK schooling could not be made as motivating to so large a majority of its pupils. But that still leaves room for some worthwhile if lesser increase in motivation from the purely educational changes proposed by Sir Kelth Joseph.

The UK's exams work like a football league in ensuring that even if all today's competing candidates performed much better than those of the past, a proportion would still come bottom in the ranking and be relegated. The substitution of knowledge and skill and the sward of the appropriate grade to all who reached them must surely increase the general in-centive to work hard academic-

British comprehensives to emulata successful hauptschulen like Karl Simrock in devoting sair share of their most experienced teachers' attention to the children who most need help to attain adequate standards.

German results seem to benefit, too, from clear objectives and the more firmly balanced curriculum that Sir Keith pro-poses. Far from leaving heads and teachers to decide their school's activities, each of Germany's regional education anthorities lays down not just that, but also largely how all schools shall teach a core of basoic studies including Ger-man, mathematics, another language, science, history or an-other social study, and crafts or technology.

individual British schools from getting superb results in some particular activity of their own enthusiastic choosing, might be more than compensated in general by adopting less varied and ambitious objectives and far more largely achieving But Sir Keith's bope of better

than modest success must still support of amployers. While unable to take on a comparably leading role, UK organisa-tions might at least follow their German counterparts' example of taking a close interest in what's going on in the schools. "Employers here are always in touch with teachers," says Dr Horst Otto of the National Association of German Crafts, "and not simply to congratulata them on what they are proud of. Teachers say, for example, that today's pupils are much better at discussing important ques-tions intelligently. Wa say cuss intellectual things with others has grown in reverse proportion to their ability to do practical things for themselves.
"But we don't only criticise. We try to be partners in developing better education. For employers rely on schools teaching wisely as much as schools rely on employers creating wealth. Both parties know that if we are not in this together,

Men & Matters

Underground man

Yesterday's mineworkers' executive meeting was briefly poig-nant as the representatives of a hard trade formally marked their appreciation of the 15 years service as general secre-tary of Lawrence Daly. He makes way for Peter Heathfield next month.

Daly is one of the great "might-have-beens" in the Labour movement. He was all promise in the '60s and the early '70s. After be beat Joe Gormley for the general secretary's post in 1968 he was a shooting star in a galaxy of good left-wing speakers, feted by the socialist intelligentsia (who thought they bad found a worker-intellectual), and showing an advocate's skill when presenting the mineworkers' evidence to the Wilberforce inquiry into mineworkers' pay in 1973. Yet his self-discipline was not

equal to his talents. He relaxed his grip and faded into the background. Gormley, victorious in the 1971 miners' presidential race, took over control of the union.



within the next few minutes?

Later Daly suffered a bad car leave that sort of venture to Century mansion and nearly accident, adding the burden of others for the moment.

400 acres of grassland.

But be remained as engaging a man as any in the unions with a range of literary references— especially of Scots literature broader than most. At a reception in his honour

in Sheffield this week he replied movingly to the tributes to him. Part of the emotion—on both sides—must have been the bitter reflection of a huge talent never fully realised.

Raper's round Party time in Hill Street yes-

Party time in Hill Street yes-terday. Tha bost at lunch—nona other than the City's most in-corrigible non-conformist, Jim Raper, of Milbury, the house-building group, and St Piran. Notable City firms were repre-sented: Wedd Durlacher Mordaunt, Samuel Montagu and others were listed in the others were listed in the visitors book. Champagne corks popped as the diminniva Raper What was this in aid of? my

usually prone to public relations exercises. "A chance to meet people," Raper responded. His plans, he confided, in-clude more acquisitions, a de-gearing programme in the group, and obviously better relations with the City which is relations with the City, which is only just coming out of shock after his defiance of its self-

man asked, since the host is not

regulatory powers,

He wants to shorten the length of bis takeover campaigns which have assumed marathon proportions. takeover campaign for West-

Raper has looked at the possibility of joining the financial services revolution by acquiring a stake in a stockbroker—something which might cause a is the declared winner of an shiver in the Stock Exchanga estate worth a conservative tower. But he has decided to 2750,000 comprising a 19th

others for the moment, Raper, meanwhile, runs about 40 miles a week around the four parks in central London and feels that he ought to cover

more ground to get in prima marathon condition. "Please don't call us a controversial group," one of his associates puffed at the parting. "Colourful would be better."

Making headway

There was a general nodding of heads at the EEC finance ministers' meeting in Brussels this week when Belgium's
Willy da Clercq proposed that a
new economic "index of convergence" should be devised to show how member countries were getting on with their resolva to bring their economies

closer into line.

But who was going to do the work? De Clercq suggested the monetary committee, throwing the ball into the court of Michel Camdessus, of tha French Treasury.

Quick as a flash, Camdessus passed the ball to the economic committee (co-ordinated by the grounds that he

British) on the grounds that be was already responsible for an "index of divergence," An interesting argument seemed in prospect. But Jacques Delors, the French finance minister, solved the problem in time-honoured Euro-custom. He suggested that de Clercq's "interesting suggestion" should be "noted." Heads nodded again in entbuslastic assent.

Irish gambling man for his mansion might seem a precarious activity.

Yet Tony Ray, an agricultural supplies merchant of this week with an article fiddington, near Tewkesbury, is the declared winner of an estate worth a conservation.

400 acres of grassland.
Ray, who bought a £175 ticket in the lottery—one of 9,000 sold—found himself hauled off his smallholding last night to face the TV cameras and tell how it feels to be trans-muted into a pillar of the Irish

squirearchy.

Professional gambler Barney
Curley, who thought up the
wheeze to dispose of his property looks lika clearing well above £1m after expenses.
Tickets were sold in Ireland,
Britain, tha U.S., and as far
afield as the Middle East. He
paid about £500,000 for the property nearly 10 years ago with the proceeds of a big win on the turf.
But Curley looks like facing

problems. The Irish police are checking on the legality of the lottery and have consulted Ireland's director of public prosecutio One ouirk of the method employed was that everyone who bought a ticket also hecome a member of the local Gaelic sports club.

Red faces

Royal Bank of Scotland group is obviously taking its public image seriously ahead of full-scale integration with Williams and Glyn's next year. Marketing chiefs recently spent days closeted in a stuffy office trying to think of a suitable nama for a new faff magnetic head. a new staff magazine being sent to all amployees of the "first

Alas for their efforts, it is just dawning on senior executives minster Properties took about a year. Wa bope to do our next acquisitions much quicker," be Taking part in a lottary with an Irish gambling man for his ary Party workers Revolutionary Party weekly. And to make things worse. Sld Proctor, the

Observer

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POLITICS TODAY

A comedy of errors

By Malcolm Rutherford

THIS WEEK has shown both the hest and the worst of Sir Geoffrey Howe. On Wednesday afternoon, telling the House of Commons of the withdrawal of British forces from Lebanon, the Foreign Secretary was in undoubted command. Perhaps It was the gravity of the subject that impressed, but it was hard to believe that this was the same Sir Geoffrey who has made such a mess of the Cheltenham

Students of politics ought to read an interview which appeared in the Daily Mail last Monday because it reveals the qualities and the limitations of the man. .

"I believe," Sir Geoffrey said,
"I shall be doing my present

The Cheltenham decision was taken by a small group

job long enough to make the same impact on the Govern-ment's record and achieve-ments as I did in the Treasury . . . Essentially both are jobs requiring sustained application over a period of time."

Nothing wrong with that. The Foreign Secretary is digging himself in for the long hanl. Few people, after all, expected him to survive a full term as Chancelor of the Exchequer.

But he did. Then ha went on to the dethen ha went on to the uccision to ban trade union membership at the Government communications headquarters at Cheltenham: "It was discussed, as almost every other government decision is discussed by the contract decision is discussed. ment decision is discussed by the group of ministers most directly involved. There are very few discussions of govern-ment decisions by the full

Strictly speaking, there is nothing wrong with that statement either. British government does not work by discussions of the full Cabinet, but by a system of committees. A former minister recalls that one of the few public at large.

On Cheltenham Sir Geoffrey in the public at large. issues that went to the Cahinet simply made a surprise statein London and its effect on the skyline. The debate went on almost for ever because everyalmost for ever because everyone had a view. If all discussions were conducted like that,
there would be few decisions.

when they were asked questions due to the cheitenham employees.

It would be unfair to blame some evidence of the agency's the Foreign Secretary too much.

Looking at it from the outside,

So, in terms of constitutional practice, Sir Geoffrey was per-fectly correct. The Cheltenham decision was reached by a small group, almost like any other. The trouble is, however, that in presentational terms it was a disaster. There was no warning light built into the system to

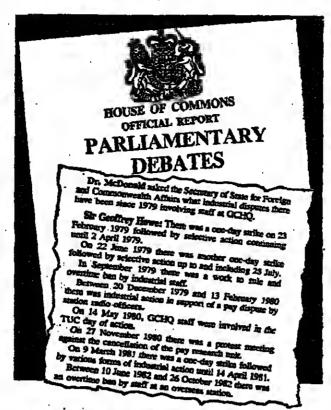
indicate problems ahead.
Sir Geoffrey's response, like that of the Prime Minister, is to plod on regardless, Probably they will get away with it. Cer-tainly it is hard to find anyone who thinks that if the Government has a super intelligence monitoring agency up to Rolls-Royce standards, it should be insecure. There may even be a bit of national pride involved. Most people until recently did not know that GCHQ Cheltenham existed or, if they did, they knew little about what it was doing. It turns out to be much admired by the Americans, almost indeed the basis of the special relationship. No political party is going to make much ground out of trying to sabotage it.

Nevertheless, there has been considerabla unease about the Government's approach. Mr
Charles Irving, the Tory MP for
Cheltenham, complained justifiably that he had not been
advised of the decision in
advance. He has around 7,000
constituents involved in the
agency's work.

The trada unions could have
complained even more. In fact

mplained even more. In fact, they have been rather clever. It was not they who led to the (say) Kim Philby. If it had not been for him, Cheltenham would remain in obscurity. The unions insist that they want GCHQ to work effectively, and they have won some public

learnt about it only afterwards, when they were asked questions by journalists.



Sir Geoffrey Howe's written answer on January 30.

rupted by industrial action it is clear that it is the system. This was produced by Sir which is at fault. Somebody Geoffrey in a written parlia- ought to have warned Sir Geoffrey in a written parlia- cught to have warned Sir mentary answer a few days Geoffrey at the start, if he later. It gave a list of eight couldn't or wouldn't see it separate instances. But the himself, that his statement was trouble was that nobody seems bound to be controversial. So to have told No 10 Downing far as one can discover, nobody to have told No 10 Downing Street that the answer was

result was recriminations. If the Foreign Office had the evidence, why hadn't it produced it when Sir Geoffrey made his original statement? In other words, the Foreign Secretary was behaving like a lawyer trying to master his brief, rather than like a

good politician.

And so the comedy of errors and appeared to be unaware of as a whole was the permitted ment in the House of Commons, a Treasury written answer height of New Zealand House Soma of his Cahinet colleagues earlier in the day about the terms for compensation, redun-dancy and possible dismissal of

mutual mechanism under which all mechanism under which all written parliamentary answers nee, why are seen in advance by tha ministers end senior officials of original all the departments concerned. One had always understood that there was, especially on ascerity matters. But it seems not to have worked in the Cheltenham case.

This ineptitude is important party hecause the Govern-

has gone on. Last week Sir partly hecause the Govern-Geoffrey appeared on television ment a handling of the GCHQ and appeared to be unaware of good in the long run, even it it gots its way. It looks like yet another banana skin,

Yet there is a more significant lesson. That is how fragile the government machine is when it comes to policymaking and its presentation.

Prima Minister'a presa secretary, says that banana skins are to Mrs Thatcher's second administration what the expectation of a U-turn was to her first. The Press had decided in 1979 that she would be obliged eventually to reverse her economic policy rather as Mr Edward Heath had done before her. In the end, as Mr John Biffen, the Leader of the House of Commons, has argued, it was more of an S-bend. But the official line is that the press

was wrong and that Mrs.
Thatcher ploughed on.
Now that she has been reelected and the economy has begun to look up, the argument goes, the Press has invented banana skins on which the Government is bound to slip. The theory is not absolutely implausible. Boredom at the

idea of a large Tory majority for the Bext few years clearly does play a role in the way the Press decides to treat politics.

The real problem is of the Government's making. It has won a large majority and is unsure what to do with it. In some ways it is digging its own hole.

For example, Mrs Thatcher has tended to strip the Government of a regular channel of independent, non-party advice. She has abolished the think-tank without putting anything in its place. Mr Ingham himself takes over more and more the rola of government spokesman. No single person can possibly represent the Government on all issues. It needs a machine, but the machine is getting smaller. Anyone who coubts this should look up a book called Downing Street Diary* by Sir

Harold Evans, the Press secre-tary to Mr Harold Macmillan. It describes the bunker mentality which see in at No 10 Downing Street after Mr Macmillan had won an increased Tory majority in 1959.

One excuse being put forward for the present approach is that it is necessary first to renot fully realised it, dasplte solve the short-term problems. Sir Geoffrey's plodding, before getting on to the longer *Hodder and Stoughton, 1981.

Mr Bernard Ingham, the term. Hence the Prime Minis ter's insistence on dealing with Britain's contribution to the hudget of the European Community before thinking about the Community's long-term future.

There are other instances. The Government still tends to deal with Ireland on a shortterm basis, almost as if it were reacting solely to day-to-day events. Even Mrs Thateber's visit to Hungary last week, and the switch of emphasis to im-proving East-West relations, do not seem to have been very clearly thought out in advance. There is considerable con-fusion about what happens next—whether a senior Soviet Minister is coming here, or

The 1959 bunker mentality in **Downing Street**

Press decides to treat politics.

It wants excitement. But the argument is still pretty meretricious. It is also defensive. The Press, after all, did not invent the Cheltenham affair, nor the Government's seclevident embarrassment over the invasion of Grenada. Both incidents were sprung on a receptive audience.

The real problem is of the inecies of the machinery of iencies of the machinery of government which have plagued British politics for years past.
Nearly all semor civil servants
have acknowledged that the
machinery around the Prime
Minister's office does not work well enough. There is an oppor-tunity now to do something about it, as well as so much else. There could be a longterm policy on Europe, Ireland, East-West relations and govern-

ment reform.
One begins to think, bowever, that politicians are so used to living in the short term that they are incapable of adapting to the long. As Sir Douglas Wass pointed out in his Reith lectures, the

average span of a minister in a particular department is average span of a minister in a particular department is around two years. There is therefore very little incentive to think about what happens in the next decade. This Government has an almost unique. the next decade. This Govern-ment has an almost unique chance to be different. The evidence so far is that it has

Lombard

The perils of law-breaking

By John Wyles in Brussels

law-breeker. To be forced to conlemplete the prospect is rather an embarrassment for a Prime Minister so strong on law and order, hut Mrs
Thatcher feels she is being
pushed into a corner. She will,
therefore, withbold a proportion of Britain's payments to
the EEC hudget if the £457m
owed by the Community does
not reach the Treasury before
the end of next month.

the end of next month.

This breach of Community regulations—which will almost certainly land Britain in the certainly land Britain in the European Court—is being forced on the UK by the European Parliament. The Community's hudget year is a calendar one and traditionally Britain's rebate is pald in the first quarter of the following year, before the Treasury closes its accounts, in this casa for the 1983 financial year.

The Parliament is threaten-The Parliament is threaten-ing to block the rebate beyond the end of March if next month's EEC summit does not

month's EEC summit does not make enough progress towards settling the agricultural and budgetary issues currently paralysing the Community. This further delay is a breach of the Community's obligations to the UK, Mrs Thatcher will argue, as she withholds some of the £230m to £290m the UK. the £230m to £290m the UK transfers to Brussels every

month.

Under the latest government plan, some British payments will continue so as to enable the Community to go on funding the agricultural, social regional and other projects it sponsors in the

UK.
London will aim to recoup
the £457m over an eight or nine
month period in the absence of
a formal Parliamentary de-The British action will not make the Community's already parlous hudgetary situation worse. The £457m will, after all, remain in the EEC budget, and the UK will not have with-

MORE in sorrow than in anger, held an equivalent amount until and with a discernible twinge several months have passed of relish, the British Govern- Withholding will, however, enment has now completed its sure that the Community's plans for becoming a deliberate budgetary armagedcim is not

delayed.

Politically, this is one good reason for unilaterally reducing payments to the EEC. A budget-ary crisis, coupled with ber power to veto an increase in the EEC's budget revenues, is the trump card which. Mrs Thatcher is certain, will deliver the long sought after permanent reduction in Britain'e budget

payments. There are two important weaknesses in the case for with-bolding. One derives from the very unsatisfactory arrange-ments between the Community

ments between the Community institutions.

The British claim that non-payment of the rebate by the end of March means that the Community is breaching its obligations to the UK. The obligation, bowever, was entered into by the Council of Ministers but never endorsed by the Parliament. The Strasbourg Assembly may be a nuisance, but it is just as much part of the Community. It did not undertake any obligation to the UK, although it does share budgetary powers with the budgetary powers with the Council of Ministers. Arguably,

council of Ministers. Arguably, the obligation is only confirmed when the Parliament finally authorises the payment.

A second cause for anxiety is the impact of withholding on public opinion in the rest of the public opinion in the rest of the Community. Britain is quite wrongly represented in much of the continental press as caring only about its budget money, anxious to put the CAP to the sword and caring little for the Community's future development.

If Britain sits on some of its hndget payments, in defiance of its legal obligations, it will serve only to confirm a very unfortunate image. Mrs Infortunate image. Mrs
Thatcher may also be narrowing
the room for manoeuvre of
other governments on the
budget problem. There is a
discernible demand in many
countries for someone to "get
tough" with Mrs Thatcher
which will only be strengthened
if she is seen to be weakening
the Community in the midst of the Community in the midst of lts most serious political and financial crisis.

Letters to the Editor

Threat to BL in the privatisation of Jaguar

per year may produce the so in recognition of the need

Subsidies to

of the impact of unemployment and of the vacuum created (quickly to be filled by imports?) by the demise of these "subsidised" exporters. One hopes the Prime Mini-ster's sketch for "Yes, Minister" abolishing economists and recent story of the economists'

D. N. Andrew, 3, High Lane, Woodley, Stockport, Cheshire.

same opinion of hamburgers in terms of labour bours

worked; its just that the Americans are better paid.

There is an opportunity for the international arbitrage of hamburgers, purchasing in London and selling in New York with a profit of 70 cents

a meal, hefore freight costs.

· Alternatively, the inter-

national hamburger market is not efficient — the Common Agricultural Policy, again?

Either McDonald's outlets in New York are particularly profitable, or their UK venture

is proving sticky—ketchup all over the shop.

Parity theory of exchange rates

Charles Target (in Londoo),

is just that

The Purchasing Power

TV-am's value to advertisers From the Chief Executive, Sir,—In your article on TV-am in the Financial Times

TV-am in the Financial Times of Tuesday January 31, you quoted the managing director of Devidson Pearce — Britain's 14th largest advertising agency — as saying "If they (TV-am) could deliver an average of 500,000 to 500,000 housewives through the programme they would be a very interesting medium." He went on to say that he thought TV-am's average housewite audience was actually below 200,000. Could I point out that in the week ending January 22, we week ending January 22, we actually delivered in the bours between 7.30 am and 9.25 amwhen 90 per cent of our advertising is transmitted — an average housewife audience of

This is not a particularly surprising figure as the average figure for the previous month

was evolute.

Now we are a "very interesting medium" we sincerely hope Davidson Pearce and their colleagues in the advertising world will take note and utilise the selling opportunities we offer on TV-am.

Timothy Aitken. Breakfast Television Centre, Hawley Crescent, NW1.

Efficiency in engineering From the Chairman, National Joint Council for

the Engineering Construction

budget. Clearly the CEGB are to be congratulated on their management of the project.

You also identify the CEGB are Project Joint Council, provide the euthority for the working arrangements which You also identify the National vey identifies.

Agreement for the Engineering Construction Industry as creating a new framework within which major developments can take place. For many years the industry had been racked by had industrial relations and an inability to complete major John Morris Jones, projects to programme and Walmar House, budget That situation attracted 296 Regent Street, W1. a number of official studies.

All the studies end expert opinion were unanimous that many problems of the engineering construction industry arose £/\$ exchange rate from the differences of pay. From Mr C. Tar productivity and conditions that Miss L. Brainard were used to "leepfrog" settlements on a never-ending cycle of claim, stoppage and con-cession. This lead to the conclusion that a fundamental and necessary reform would be the negotiation of a single National Agreement under the control of a National Joint Council. The objective would be to remove these counter-productive "differences" and improve site productivity by a very signifi-

As a result of many years of effort by the employers' associations and trade unions and supported by NEDO, the industry's EDC and various Government Ministers and Ministries. Americans value hamburgers pp Lael Brainard (in New York)
the National Agreement was more highly than we do.

9 St Nork's Place, Wil. the National Agreement was introduced in November 1981. Its governing body is dedicaled to the re-emergence of a suc-cessful and productive engineering construction industry. The evidence from Drax shows the Industry excellent survey value of an agreement which on the Drax Power Station provides the structures and pro-

(February I) highlights the cedures through which problems significance of a project being can be jointly resolved. These completed to time and within budget. Clearly the CEGB are Project Joint Council, provide

Other projects are also being completed successfully and these demonstrate that when clients, unions and contractors come together in confidence and co-operation, there is a significant impact on the industry.

From Mr C. Target and

Sir.—Investors are right to be nervous about their dollar holdings. Research undertaken on both sides of the Atlantic bas led us to conclude that the dollar is over-valued by about 25 per cent against sterling. We have developed a new implied exchange rate based on the prices in London and New York of a well-known hamburger chain (see table). Prices exclude New York sales tax at 5 par cent and United Kingdom Value Added Tax at 15 per cent. This is

"take-out" rate. Other conclusions compatible with our model are:

in London Exchange Rate 0.84 1.85 0.46 1.85 0.29 1.83 in New York Quarter pounder 0.85 0.53 Hot Apple Ple \$2.97 £1.59

From the General Secretary,
Technical Administrative and
Supervisory Section, AUEW

Six.—Leaving aside, as he
does, the morality of privatising
a company resuscitated from
bankruptcy by the taxpayer, it
is good to see your currespondent Kenneth Gooding's cuncern
(February 6) about the hivingoff of newly successful Jaguar
from new

A further misconception is that exporters are apparently thought not to have a domestic market. Indeed they do, but no account seems to be taken claim to have created the chaos preceding the Creation were Freudian slips.

Alternatively, we share the

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ichlun ichlun

THE EUROPEAN Commission yesterday shrugged off the failure of the Ten to reach agreement on how to finance an EEC development programme for information technology, and announced that it had fashoned a work programme for 1984

The work programme is ready to start if the Council of Ministers gives approval on February 28 to the Ecu 1.4bn (S1.14bn) European Strategic Programme for Research and Development in Information

Technology (Esprit).
Esprit would cost the EEC about Ecu 700m over five years to finance half the cost of a series of transnational research projects.

But West Germany and the UK have withheld approval because of doubls about how the programme can be funded over the full five-year span within the present system of hudgetary constraint.

Viscount Davignon, EEC Commissioner for Industry, will seek next Monday to overcome British objections when he meets Mrs Margaret Thatcher, Britain's Prime Minister, and senior members of her Cabinet in London, He has already been to Bonn.

ready been to Bonn. Earlier this week, the Commission failed to persuade Britain and West Germany to accept a start to Esprit on the basis of one year's funding of Ecu 45m,

The work programme planned for this year is designed to follow up a pilot phase of Esprit launched in 1983, It was drawn up by the Commission with help from indus-trial and academic specialists.

lt covers advanced micro-electronics, software technology, advanced information processing, office automation and computer integrated manufacturing.

The tempo of work would quicken in the second and succeeding years of Esprit, if the Commission's ideas are accepted by the Ten. The object over the period of five years is to strengthen the EEC's technological ability to compete with the U.S. and

Indo-Suez to raise FFr 1bn

By David Marsh in Paris

BANQUE Indo-Suez, a French Bunk, taken under state control in 1982, is raising FFr 1hn (\$118m) to boost its capital resources, through an issue of non-voting loan stock (ti-

tres participatifs).

The TP ~ the nearest thing to equity capital which nationalised hanks can raise from the general public - has been increased from the originally envisaged sum of around FFr 700m.

The fund-raising exercise, represenling the first foray on to the Paris bourse by a major state bank since the nationalisations two years ago, will increase Indo-Suez's capital resources by about a third from its present total of FFr 3.4bn.

The new issue, to be launched on Monday, is not repayable, unlike the TPs issued by nationalised industrial groups last year, which had

Although TPs fall between bonds and shares in character, the non-repayable nature of the Indo-Suez issue heightens its similarity to a

conventional share offering.
The yield, like that of other TP issues, will comprise a fixed portion geared to bond market interest rates and a variable portion linked to the bank's results.

The fixed portion will be equal to 45 per cent of average monthly yields on the Paris bond market. The variable part will be equal to 30 per cent of average bond market yields multiplied by the percentage increase of the bank's future annual profits compared with the 1982 lev-

Is.

A new base will be set for the that Count Lambsdorff was only profits calculations every 20 years. one of a pair of ministers who yes-

EEC aims to strengthen control over spending

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission is competing a revised proposal for imposing stronger discipline on EEC spending in the hope of nudging governments towards global agreements on agricultural and budgetary reforms. The proposal, which should be

sent to the Council of Ministers next week, will be the first move to break the eerie political silence which has settled on the Communi-Athens in December. since the abortive summit in

It represents the first fruits of the Commission and France as President of the Council of Ministers. which bave been under way for the past three weeks.

The talks have encouraged the Commission to believe that a preliminary agreement could be chalked up this month on ways of controlling future Community spending, particularly on agriculture.

The hope in Brussels is that such a breakthrough would generate enough political impetus to bring

the Ten to grips with the British budget issue and farm policy reform in time to reach agreements at the summit in Brussels on March 19 und 20.

Most governments, hut particu-larly those of Britain and West Germany, support the view that EEC spending must be more effectively controlled if national parliaments are to be asked to raise the current 1 per cent VAT ceiling on the Community's hudget revenues.

The Commission's proposal will break new ground by suggesting procedures to obtain a concerted annual approach between itself, the Council of Ministers and the European Parliame ot on an overall level of budget spending.

This would aim both at relating expenditure more clearly to available resources and at curbing the parliament's inclination to boost spending heyood the limits desired

To this extent, the Commission will be borrowing from important proposals tabled by M Jacques De-lors, French Finance Minister, just before the Athens summit. But the Delors plan envisaged changes so radical as to require amendments to the Treaty of Rome. The Com-mission is unwilling to go so far.

Even the French Government ap-pears to have had a change of mind. it subsequently produced a wa-tered-down version of the Delors plan so as to quieten outrage in the European Parliameot, which saw the implied Treaty amendments as an attempt to clip its wings.

The Commission will also build on the guideline it produced last May aimed at keeping the annual growth in farm spending below the annual rise in the EECs budget income. In the new version, the Com-mission goes as far as outlining a "clawback" procedure to deal with the consequences of spending in any one year exceeding the guide-

What happens when the money

Westinghouse to discuss sale of Spanish industrial offshoot

REPRESENTATIVES of Westing-house Electric of the U.S. will meet cials today to discuss plans for selling the group's industrial opera-tions in Spain. That, according to Westinghouse executives, would involve writing off upwards of \$50m

Its subsidiary, Westinghouse SA, which bas six factories employing about 3,000 people, filed a court application for suspension of payments last October because of a making the deal in two stages for weak domestic market for generat-

shedding labour. Westinghouse ex-ecutives said yesterday that if they believed the Spanish Socialist Gov-house Nuclear, which is primarily ernment would succeed in pushing through more realistic policies, "it

BY ALAN FRIEDMAN IN MILAN

Prime Minister, appears to have en-dorsed the theory that Roberto Cal-

vi, the chairman of the collapsed

Banco Ambrosiano group who was found dead under Blackfriars

In a statement to the commission

investigating the hanned P-2 free-

masons lodge, Sig Craxi said he thought that Calvi's death could

probably be traced to criminals who

vere connected with the P-2 lodge.

During his testimony before the commission of enquiry, Sig Craxi also said he did not think that Sig

Licio Gelli, who escaped from a

Swiss prison last year, was in fact

Continued from Page 1

However selective Count Lambsdorff's paraphrase of the indictment

might be, the outhurst yesterday temporarily left the opposition dep-uties on the committee in disarray.

But the serious difficulties facing

asked hitterly.

Bridge in London was murdered.

to P-2 by Craxi

the head of the P-2 Group. I never Sig Craxi. But Sig Craxi, who was

thought he was the leader. In my not yet Prime Minister at the time,

opinion Gelli was only a sort of general-secretary of the organisation who could rely on many influential friends.

Rebuttal by Lambsdorff

which specialises in taking over troubled companies.

The proposed deal is at a token price of 1 pesets per Pta 500 sbare, or a total of about \$28,600, and Arbobyl bas an option to buy the remaining Westinghouse stake.

The U.S. company, which wrote off \$27m in the final quarter of 1983

accounting reasons. ing and railway equipment.

The group has blamed its action on the difficulty of adapting to marwould have to seek liquidation of ket conditions and particularly of the Spanish unit. The proposed deal

appeared before the commission to

at present exchange rates) to Sig Craxi's Socialist Party, implying

that be should help her bushand. Sig Craxi said he only met Sig

Celli, the alleged leader of P-2, on one occasion. This was a few years ago at the Hotel Raphael in Rome.

at a meeting arranged by a friend of

terday had to testify to committees investigating their conduct, a fact which illustrates the difficulties fac-

Herr Manfred Wörner, the De-fence Minister, yesterday continued

his explanation of why be had dis-

missed General Günter Kiessling at

ing Herr Kohl's coalition.

involved in selling technical experwould be a different story."

Westinghouse, which raised its
Westinghouse has agreed to sell
stake in the main Spanish unit two
years ago to 93.6 per cent, argues

Westinghouse has agreed to sell
stake in the main Spanish unit two
years ago to 93.6 per cent, argues

The politically volatile Basque country.

Spanish subsidiary to Arbobyl a that it has never repatriated any British offshoot of the GMR group, profits since taking a majority based in Lugano, Switzerland, stake in its Spanish license in 1968. Royalty payments for licenses were suspended under a restructuring

> It said it declared a suspension of payments because the Spanish unit was consuming 51m in cash a month. Its Spanish chairman, Sr Santiago Foncillas, resigned over

Westinghouse SA, according to the U.S. parent, lost at least 56m last year on sales of about \$80m. Last September, the company told the Spanish Government it could not fulfil the terms of its restructur ing plan, which included export commitments, and that it needed to

scale down the company.

The labour issue is particularly delicate, since group turbine generator production, one of the main

Calvi's death linked |O&K drops Hanomag

SIG BETTINO CRAXI, the Italian people," Sig Craxi said.

Prime Minister, appears to have enSig Craxi is the latest in a long line of ftalian politicians who have ORENSTEIN & KOPPEL, the West German engineering group, has dropped its bid to take over part of give their views. In his testimony on Wednesday, the Frime Minister the production of Hanomag, the Hanover-based building machinery confirmed that Calvi's wife had once come to see him while her busconcern, which has slipped into band was still alive. She told him bankruptcy. that Calvi had given L30hn (\$17.8m

> O & K was ready to take over enough of Hanomag's output to maintain up to 1,000 jobs in Hanover over the next 18 months. Meanwhile, a longer-range solution

But O & K said it had concluded

Now that O & K has withdrawn, the prospects for Hanomag's surviv-al look dim. It had been talking to several other companies, but O & K looked the most likely to make a

months to reach a court-administered settlement with its creditors.

By Our Frankfurt Correspondent

for Hanomag.

the end of last year on the basis of defective evidence. The general was reinstated last week.

Snow Report



Wengen (Sw) 70-160 cm Lifts closed by storm

THE U.S. 24-48 cm Packed powder Squaw Valley (Cal) 24-100 cm Hard packed powder Figures indicate snow depths at top and hostom stations. European reports from Ski Club of Great Britain representatives.

takeover

O & K's decision, announced yesterday follows lengthy talks that early this week seemed close to accord on at least an interim solution

that the scheme could not be realised without a danger of sharply increased management and other

At its height, Hanomag, part of the now defunct IBH group of Herr Horst Dieter Esch, employed about 2,500 people. It was drawn into bankruptcy proceedings last week after battling for more than two

Investors see AEG on road to recovery

By Jonethan Carr in Frankfurt

THE WEST GERMAN stock market has a new and surprising star. It is AEG-Telefunken, the battered electricals giant, which only a year ago was still fighting to stave off financial collapse. Now its share price is reaching heights unknown for years. Yesterday it touched DM 107, com-pared with DM 80 at the end of last year and the record low of DM 23 in August 1982.

Since the start of this year alone more than 3.5m AEG shares have changed hands. It is true that the stock market is buoyant, but there is more to the AEG case than that, Many investors feel that after years of decline the group may at last be on the way op. They want to share the profits as it rise.

The company will not be announcing its 1983 results for a few weeks yet and the figures available for the first 10 months are not striking. Turnover was up by 1 per cent to DM 9bn (\$3.2hn) and orders were down by 4 per

There is no official word on earnings. Bot hints from AEG, quickly registered by investors, indicate that the group came close to breaking even last year. At first sight, that is not much of an achievement. But in 1982 AEG ran up an operating loss of DM 932m, more than double the 1981 figure, and finally had to seek courts protection from its credi-

For months, the fate of the balance until public authorities and the banks rallied round. Last March creditors voted to write off 60 per cent of their DM 5.9bn loans and a new chapter of the AEG saga began.

Initially most people were sceptical. They had seen several fruitless hids before to rescue AEG and there were doubts whether Herr Heinz Dürr, chief executive since 1980, could succeed where others had failed. That mood has changed.

AEG has disposed of its lossmaking video and andio subsid-iary Telefunken (to Thomson-Brandt of France). It has streamlined its domestic appliances op-eration and cut production eapacity at its office equipment affiliate, Olympia, another "prob-fem child." The labour force is now down to about 87,000, com-pared with 124,000 at the end of

Moreover, more than half of the group's turnover comes from the electrical engineering sector including power distribution, industrial plant equipment, rail-way and road traffic systems and turbines. Even its competitors agree that AEG is strong in those divisions, and that It will benefit markedly from the stronger economic recovery emerging this

Against that, AEG lost control of one of its brightest assets, the telecommunications subsidiary AEG-Telefunken Nachrichten-technik (ATN), because of the group's financial problems - and is now involved in a tortuous legal battle to get more money from the buyers, the West German engineering concerns Man-nesmann and Robert Bosch.

Even if AEG goes well into the black this year, it is likely to be a long time before it resumes divi-dend payments, suspended a decade ago. Any profits will need to be pumped back into the busi-

None of that, bowever, is deterring the stock marketeers. There was a time when the dread Vergleich - composition proceedings for companies unable to pay their hills - was widely taken to imply the end of the road for a stricken concern. It has become a sadly familiar word in West Germany over the last year or two. But the success of a Vergleich in the case of a well known company such as AEG-Telefunk-en might lead to a general reassessment of the term - not the end of the road, but the begin-

European stock markets, Page 27

THE LEX COLUMN

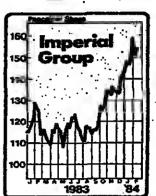
Imperial back in the purple

Imperial Group's return from the asbes has been closely tracked by its rising share price - trebled to 154p since the dark days of 1981 and the recovery was finally given official status yesterday by the company's first dividend increase since 1979. Like everything else in the comprehensively revamped Imperial, however, the dividend increase 7.5 per cent - looks like the product of a carefully defined constraint; in this case, the precise degree of

The benefits of strategic manage ment appear clear-cut at present. With the exception of Howard John-son, all Imperial's activities seem to have responded successfully to demands for "best practice" returns on capital, aided by a continuing heavy programme of rationalisation. In tobacco, particularly, this is going together with firmer pricing to create wider margins, and the overall extraordinary provisions of £49.7m suggest that there could be further worthwhile cost savings in the current year.

Imperial's cash accumulating power is proving impressive; gear-ing has dropped from 79 per cent of shareholders' funds to 27 per cent in three years despite weighty write-downs. Worries that the group might misuse this ability by lashing out on another large takeover are being consciously deflected by an emphasis on piecemeal develop-ments within existing activities; even the mature businesses have their growth points, such as takehome beer and longer cigarettes. Yet there must be a risk that the market's enthusiasm for this strategy may prove more limited over the next year or two as the recovery

Lonrho's share price has climbed more than 25 per cent relative to the rest of the market over the past three months. The move no doubt owes something to an ageing hull market's less discriminating enthusiasm for all apparently undervalued stocks. But it does also signal a perceptible change of heart among some institutional investors towards the company. Lourho might next year think about rewarding any new supporters in the City of London with a rather less peremptory statement of its preliminary resuits - the profit-and-loss account corrective action Fisons' depen- 155p it is similarly out of reach of has just five useful lines - but at dence on pharmaceuticals might Hanson's convertible - currently least the message they carry this soon have become uncomfortable.



year will be pleasing enough to most sharebolders, in the City and

Pre-tax profits at £113.2m have

rebounded 51 per cent from the pre-vious year to regain their 1980-81: level Rising commodity prices have evidently underpinned this perfor-

mance, particularly in platinum; but

Lonrho has also done well enough from its growing hotel and casino operations to lend credibility to ru-

mours of further takeover plans in

Minimal capital expenditure and disposals worth £30m or more have

belped produce a positive cash flow and the reduction in interest

charges from £95m to £86m points

10p paid in 1979-80 or even better.

chosen the wiser course.

in that division's

Fisons

ing from zero to around 10 to 12 per cent, but there should be a small net contribution to earnings per share in 1984 - subject, of course, to exchange rates. But in financing the acquisition with paper, Fisons has arguably used a strong UK stock market to combat the strength of the dollar.

The Curtin acquisition will make Fisons number two in the U.S. diag-nostics market. Taking on Curtin's

\$35m of debt will move Fisons' gear-

Tax avoidance

Many of the operations that finance directors and investors engage in as a matter of routine to cut their tax bills must now be under threat after yesterday's wide-ranging ruling on tax avoidance from the House of Lords.

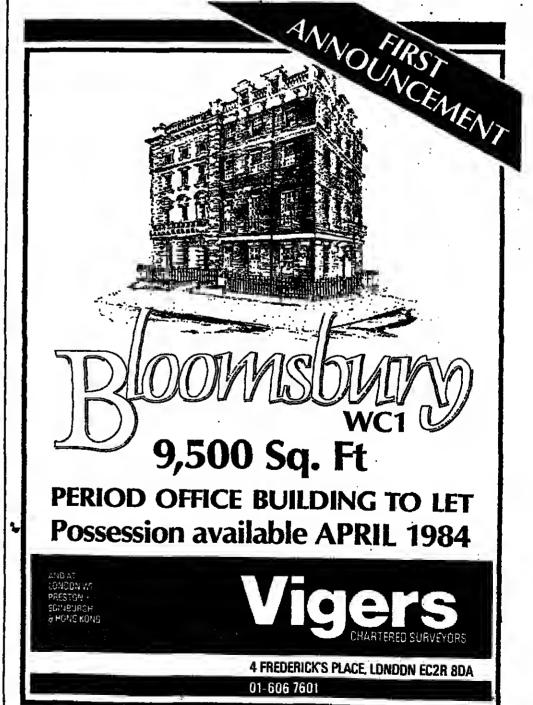
The fuland Revenue has accepted in the past that the purpose of these operations has generally been merely to side-step an anomaly of the tax system which would have operated unfairly against the tax-payer. But now the Law Lords appear to have moved against anu transaction which is designed purely to avoid tax. Top of the list of anomalies is the provision for the group relief of capital gains tax, companies may now be unable to avoid the tax by transferring assets into subsidiaries with capital losses,

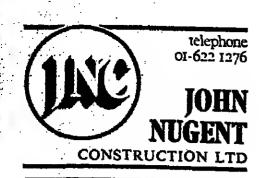
to some debt reduction. The shares at 130p, up 2p, are yielding 10.4 per cent and another "special dividend" as has become general practice.

The Lords may have served to inject more commercial realism into in 1983-84 promises a return to the tax-sensitive affairs - but legislative changes could be needed to remove all the anomalies which are now more glaring than ever.

The London stock market gave a cool reception yesterday to Fisons' \$50m acquisition of U.S. health care company Curtin Matheson, mark-Hanson/London Brick

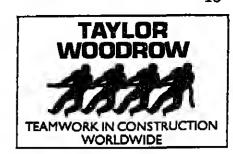
ing the sbares down f8p to 744p. There had been hopes of a major acquisition in pharmaceuticals; but London Brick hoped that its novacquisition in pharmaceuticals; but el valuation of clay reserves as a in declining, for the moment, to form of fossilised future income move further into that glamorous could be kept back as a means of rebut high-risk area, Fisons may have pulsing an eventual increased offer from Lord Hanson. Now that the Some 80 per cent of Fisons' pres- Takeover Panel has enforced the eot pharmaceutical profits are ultimately derived from one compound, stream is valued (at a 10 per cent sodium cromoglycate. By compari- discount rate) at £180m, it may afson with Beecham or Glaxo, Fisons' ter all function as an excuse for relatively small R&D department Hanson to break with tradition and makes the chances of finding a winning successor that much smaller. Certainly the London Brick share Given the relatively quicker growth price yesterday was well short of without the 215p of estimated assets, but at





SECTION II - INTERNATIONAL COMPANIES FINANCIALTIMES

Friday February 10 1984



Schlumberger profit Bouygues and revenue tumble

BY TERRY DODSWORTH IN NEW YORK

DESPITE a recovery in North end of the year, and North American oil drilling rig activity can oilfield revenue in the third and over the last six months, Schlumfourth quarters each exceeded the berger, the leading U.S. well testing prior quarter. company, suffered a 20 per cent fall in net income in 1983 from \$1.35bn, or \$4.60 a sbare, to \$1.08bn, or \$3.73

The decline in earnings continued in the fourth quarter, when net and Africa. profits came to \$260m, nr 90 cents a sbare, against \$311m, or \$1.06 provement in the measurement share. These results also repre-control and components division. share. These results also represented a fall on the third quarter figures, when net profits amounted to \$278.7m, or 96 cents a share.

Revenues fell in the quarter from \$1.51bn to \$1.49bn, and in the year were down from \$6.28bn to \$5.80bn.

MA IN ALLEGA

清洁的人的 李小俊》

Mr Jean Riboud, chairman, said the results came close to what was its for the nine months to December anticipated. Apart from the higher drilling rig count, offshore activity also "improved significantly" at the revenues from \$2.92bn to \$2.37bn.

BY KEVIN DONE IN STOCKHOLM

covery by Frigoscandia, its refriger-ation and cold-storage subsidiary.

Profits, before taxes, year-end

provisions and non-recurring items, cal re-rose by 22 per cent to SKr 585m years.

proved margins and the strong re- per cent.

In total, however, oilfield services

revenue in the fourth quarter de-clined by 11 per cent compared with a year ago, with the low level of activity continuing in Latin America

The last quarter also saw an imwhere revenue rose by 12 per cent, while strong demand for semicon-ductors in North America led to an upturn at Fairchild and in computer

In contrast McDermott International, the New Orleans-based energy services group, boosted net prof-

Operating income from the Fri-

goscandia division rose by 65 per cent to SKr 102m, following a radi-

cal restructuring over the last two

nomic stagnation and devaluations

Improved margins help Aga increase dividend

However, Bouygues said it had encouraging prospects for future development in the North Ameri-

the new University of Riyadh in Saudi Arabia, due to be completed on schedule this summer. But M Francis Bouygues, chairman, reported to the company's board yesterday that there were some delays

Greyhound result lower

By Terry Byland in New York

tive, disclosed yesterday.

edged up from \$23.6m to \$24.2m after taking in gains from the sale of lng an improved performance discontinued businesses. Sales fell throughout this year. It is forecastter taking in gains from the sale of

forecasts **10%** rise in earnings

By Paul Betts in Paris

BOUYGUES, the Freech constructioo group, expects its consolidated net earnings to increase by 10 per cent to FFr 320m (\$37.7m) for 1983 from FFr 290m the previous year.

The company also said yesterday that its sales last year rose 30 per cent to FFr 18bn from FFr 13.8bn in 1932. Orders at the beginning of the year totalled FFr 22.4bn. On that basis, the private construction group is envisaging sales of about FFr 19bn this year, of which 44 per cent would be accounted for by foreign operations.

The company said its operations in France remained "satisfactory" in a difficult economic eovironment. Abroad, new orders in devel-oping countries had been less than expected last year. The outlook for new orders from those countries this year was not more encouraging, suggesting a decline in activity in those countries next year.

can market. Bouygues is currently building

in payment by Saudi Arabia.

Strike drags

GREYHOUND Corporation, hit by a 47-day strike at its bus subsidiary Greyhound Lines, reduced earnings in the fourth quarter, Mr John Teets, chairman and chief execu-

of \$9m on continuing operations 83.2 per cent, as its new engine compared with a \$23m profit a year lines improved fuel according to the control of the cont cost the company an estimated 140,000 units in North America this

Merger expert warns U.S. banks on advisory fees

BY BARRY RILEY IN LONDON

ly to lead to a serious backlash from corporate clients, according to Mr Felix Rohatyn, the leading merger and acquisition specialist at Lazard

"The level of these fees is beyond what is reasonable and decent," he said in a recent interview. "They are going to cause a lot of trouble for all of us."

Mr Robatyn is himself involved

in a major corporate struggle, representing Warner Communications in fending off the unwanted attack from Mr Rupert Murdoch's News Corporation, and advising on the blocking deal recently arranged be-tween Warner and Chris-Craft In-He came to prominence by mas-

terminding a series of major take-

THE RECOVERY in the U.S. heavy

truck market in the second half of last year was reflected by fourth-

quarter earnings at Cummins En-

gioe, which increased from \$4.2m

net in 1982 to \$30.2m last year. This

is equivalent to \$3.17 a sbare for the

As a result of this turnround, the

diesel engine manufacturer was

able to declare a profit for the year

of \$5.2m oet. Despite a \$19.5m non-recurring charge in the second

quarter, and a nine-months loss of \$25m. Sales for the year rose from

\$1.59bn to \$1.6bn and during the fi-nal quarter increased from \$361.5m to \$483.7m.

The strength of the surge in truck sales is underlined by the Cummins' third-quarter figures when it

earned only 51.5m or 15 cents a

During the year as a whole, it

The company said it was expect-

claimed that its share of the North

final quarter.

York City from bankruptcy as chairman of the Municipal Assistance Corporation from 1975.

His views on fees are strongly rejected by other New York investment bankers. According to one of them: There are a lot of people who are willing to charge low fees. But it's like medicine. If you are baving a heart transplant you don't want your local physician doing it."

In any case it is suggested that companies have a choice between being charged on an incentive basis and on a flat fee basis. The really big fees result from the investment banker taking credit for a successful deal but also taking the risk that it may fail. Texaco will pay First S5m range are not uncommon.

Boston \$10m on completion of the Getty Oil takeover, but perhaps on-that lays the golden egg," said Mr

exactly how the fees are worked out. They are certainly not calculated on any cost-plus basis related to the executive bours put in and oth-er expenses incurred. Sometimes there is an element of percentage charging in proportion to the gross value of a takeover deal. But bankers may also claim their share of what they regard as the value added as a result of their advice.

Recent multi-billion dollar takeover deals have generated very high fees. Goldman Sachs, for instance, stands to earn \$18m from Getty Oil as a result of the company's takeover by Texaco. This was exceptional, but fees in the \$4m to

similar fees are not required to be disclosed under U.S. regulations. Mr Rohatyn considered that the

because individual deals had become so large. The charges bore no relation to the octual work done, and the payments were largely depeodent on the completion of a transaction, whereas the right advice was often to do nothing. The fee structure shouldn't be so

skewed to doing the deal," he said. "We are all going to suffer from this in due course," he warned. "We are being beld in lower and lower esteem by our clients."

The backlash would take the

form, he suggested, of a trend for major U.S. corporations to do more and more of their investment bank-

THE HUGE fees being charged by top New York investment hanks for advising on takeover deals are like
over deals for ITT in the 1960s and by \$750,000 if it should fail to go through the carly 1970s, but is probably best through through the carly 1970s, but is probably best through through the carly 1970s, but is probably best through through the carly 1970s, but is probably best through through the carly 1970s, but is probably best through the carly 1970s and 1970s are carly 1970s. bove a harmful effect on efforts to regulate the takeover scene.

Other bankers, however, reject fee structure had got out of control because individual deals had be-

The best example of an aggressive, growing investment bank in the mergers and acquisitions field is probably First Boston, which has been jostling with Goldman Sachs for the position of top M and A fee

earner in the past couple of years. Some eyebrows have been raised by First Boston's \$10m fee earned for advising Texaco in the Getty Oil affair, a sum picked up apparently for only a few days work.

But the view from First Boston is that it is misleading to relate the fee solely to the work involved in

Heavy truck Offer expected for Gotthard Bank market revival BY JOHN WICKS IN ZURICH GOTTHARD BANK of Lugano, is company said that discussions "iolifts Cummins

expecting offers for a controlling interest, according to Dr Fernando Garzoni, group chairman.

A divestment of the shareholding owned by Banco Ambrosiano Hold-

ing was likely to be announced before Gotthard Bank's general meet-

ing on April 10.

More than half of the voting shares of the bank are held by the

AN 18 per cent earnings rise in 1983 tax increased by a third, leaving net tion of Oce-van der Grinten, the

holding company, itself subject to volve a number of international financial institutions and are at an advanced stage." Dr Garzoni indicated that the lat-

est date for the transaction, recently postponed until February 24,

might again be put back.

control by the Luxembourg authorities following the collapse of its majority shareholders, the Italian Banco Ambrosiano.

The negotiations are based on a "selling memorandum" drawn up last November by the London com-

Océ-van der Grinten well ahead

BY WALTER ELLIS IN AMSTERDAM

bas further consolidated the posi- profit a Fl 51m. Group sales were beld back reprographics group, as one of the throughout much of 1983 by the most successful large companies in continuing effects of the economic the Netherlands.

While sales volume last year at Fl ever, there was a 8 per cent growth, .66bn (\$532m), was only marginal- to FL 454m. Against this, operating ly up on 1982, operating profit rose costs for the year, which were by 3 per cent, to FI 128m. Interest slightly down on those for 1982, ac-charges relating to previous retually rose by FI 10.8m in the three The company said yesterday that it had been helped last year by low-er Manufacturing costs and im-

Oce reports a favourable development over the year for its office sys-tems division, centred on photocoplers but now including word-processors. Sales in the design engineerrecession. In the last quarter, bowing division - which includes printers, computer-aided systems and microfilm machinery - were main-tained at a "satisfactory" level.

Oce bas proposed a dividend for 1983 of Fl 8.40, compared with Fl 8

SEC looks at plan for more disclosure

THE SECURITIES and Exchange Commission will consider a propos al to require public companies to make more frequent disclosures about their financial performance.

Under the proposal, companies would have to provide information to the public on the performance of each of their areas of business on a quarterly basis. At present this information is required to be disclosed once a year.

Public companies are required to file quarterly reports containing considerable financial loformation. The proposal stems from an informal meeting in November 1982 between SEC commissioners, staff members and a small group of financial analysts and investment

At the meeting, the analysts and dvisers said more frequent reportng hy industry sector would help them to keep tabs on the market, a SEC official said.



AGA, the Swedish Industrial gas erations increased sales by 8 per

company, increased its profits sub- cent to SKr 3.59bn and operating in-

stantially last year, belped by im- come in this division also rose by 8

(\$73m) from SKr 481m a year earlier. The company is increasing its dividend payment by 14 per cent to SKr 10 per share from SKr 8.75 in street by 22 per share from SKr 8.75 in provement was partly offset by eco-

AGA, the world's fifth largest industrial gas group, Increased sales by 7 per cent to SKr 5.3hn from SKr 4.9bn.

AGA, the world's fifth largest in several Latin American countries, particularly Venezuela.

Around 21 per cent of group sales are derived from Latin America.

The group derives around three quarters of its sales from outside was also helped by its stronger fi-

Sweden, and has more than 85 per nancial position following last

cent of its assets abroad. Its gas op- year's share issue,

Province de Québec

Placing on a yield basis of

£50,000,000 Loan Stock 2020

The Issue Yield (as defined in, and calculated in accordance with the terms of, the Prospectus dated 8th February, 1984) on the above Stock is 12.532

Subject to the provisions of the above-mentioned Prospectus, the Stock will, on issue, bear interest at the rate of 121 per cent per annum, payable semi-annually, and the issue price is £97.800

S. G. Warburg & Co. Ltd.

10th February, 1984

THE NIPPON CREDIT BANK (CURACAO) FINANCE N.V. US\$30,000,000 Guaranteed Floating Rate Notes due 1987.



Payment of the principal of, and interest on, the test is unconditionally and irrevocably guaranteed by

THE NIPPON CREDIT BANK LTD. (Kabushiki Kalsha Nippon Saiken Shinyo Ginko)

In accordance with the provisions of the Agent Bank Agreement between the Nippon Credit Bank (Curação) Finance N.V. and Citibank, N.A., dated February 4, 1980, notice is hereby given that the Rate of Interest has been fixed at 10.11 pa and that the interest payable on the relevant Interest Payment Date, May 10, 1984, against Coupon No. 17, will be USS127.34.

February 10, 1984, London By: Citibank, N.A. (C\$\$1 Dept), Agent Bank

NIPPON CREDIT BANK (CURACAO) FINANCE N.V. USS50,000,000



Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by

THE NIPPON CREDIT BANK LTD.

(Kabushiki Kaisha Nippon Saiken Shinyo Ginko)

n accordance with the provisions of the Notes and the Reference In accordance with the provisions of the Notes and the Reference Agency. Agreement between the Nippon Credit Bank (Curação) Finance N.V. and Cribank, N.A., dated February 2, 1982, notice is hereby given that the Rate of Interest for the initial interest period has been fixed at 10%, " ps and that the interest payable on the relevant Interest Payment Date, August 10, 1984, against Compan Mo. S. will be JECCIE 72 Coupon No. 5, will be US\$515.03.

February 10, 1984, London By: Ciribank, N.A. (CSSI Dept), Agent Bank

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The lead bank in domestic Norwegian bond issues.

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This announcement appears as a matter of record only.



The Guinness Mahon **Venture Founders Fund** Limited

£12 million was raised by a

Private offer for subscription

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The issue was placed by

Guinness Mahon & Co. Limited

INTL. COMPANIES & FINANCE

This announcement appears as a matter of record only New Issue

February 1984

SEK

AB SVENSK EXPORTKREDIT

(SWEDISH EXPORT CREDIT CORPORATION) Up to U.S. \$150,000,000 11½% Notes 1989

of which U.S. \$100,000,000 is being

issued as an initial tranche

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Westdentsche Landesbank
Girozentrale

1

LTCB International Limited
Morgan Grentel & Co., Limited
The Nikko Securities Co., 1 Europe1 Ltd. Morgan Guaranty Limited Orion Royal Bank Limited Scanding of the Bank Limited Enskilds Banken (Luxen



North American quarterly results

HK Telephone

tells investors

to keep shares

| Fourth quarter | 1983 | 1982 |
|-----------------------|--------|--------|
| Revenue | _ | _ |
| Net profits | 67.Sm | 73.5m |
| Not per share Year | 9.66 | 0.79 |
| Revenue | _ | |
| Net profits | 317.5m | 221.3m |
| Net per share | 2.11 | 2.63 |
| CENTEX | | |
| Tried quarter | 1983 | 1982 |
| Revenue | 285.3m | 244.4m |
| Net profits | 12.6m | 9.22 |
| Net per siure | 0.63 | 0.46 |
| Revenue | 858.1m | 715.4m |
| Net profits | 38.5m | 25.34 |
| Net per share | 1.93 | 1.29 |
| TEXAS EASTERN | | _ |
| Year | 1983 | 1982 |

161.3m UNITED TELECOMMUNICATIONS 1952 8 596.28m 58.17m 0,70 1983

This advertisement complies with the requirements of the Council of The Stock Exchange.



U.S. \$100,000,000

Neste Oy

(Incorporated with limited liability under the laws of the Republic of Finland)

Floating Rate Notes Due 1994

The following have agreed to subscribe the Notes:-

MORGAN GUARANTY LTD

MANUFACTUREES HANOVER LIMITED

MORGAN STANLEY INTERNATIONAL

BANQUE PARIBAS CREDIT COMMERCIAL DE FRANCE

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MITSUBISHI FINANCE INTERNATIONAL LIMITED

NOMURA INTERNATIONAL LIMITED POSTIPANKEI SALOMON BROTHERS INTERNATIONAL LIMITED Union Bank of Finland Ltd.

The Notes, issued at 100 per cent in denominations of U.S.\$10,000, have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the temporary Global Note. Interest is payable semi-annually in August and February, the first payment being made in August 1984. Full particulars of the Notes and the Issuer are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 24th February, 1984 from:-

Cazenove & Co., 12 Tokenhouse Yard London EC2R 7AN. 10th February, 1984

Morgan Guaranty Ltd. 30 Throgmorton Street, London EC2N 2NT.



All of these notes having been placed, this am-

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Washington, D.C.

DM 100,000,000

Private Placement 73/4% Deutsche Mark Notes of 1984, due 1989

Deutsche Bank

Dresdner Bank

Commerzbank

Westdeutsche Landesbank Girozentrale

Bell Resources has 2.3% holding in BHP

BY MICHAEL THOMPSON-NOEL IN MELBOURNE

BELL RESOURCES, the flour-mores have been converted into mately 5m shares in Weeks ordinary profit of A\$1m result-tishing investment offshoot of Bell Resources, which has been Australia—the 51 per centing from the sale of Wigmores' owned Australian subsidiary of tractor operations for A\$40m to ifr Robert Holmes à Court's HONG KONG - Hong Kong Telephone has advised share-holders to retain their holdings Bell Group, has extended its holding in Broken Hill Pro-prietory (BHP). Australia's rather than accepting the gene-ral offer for its shares from largest company, to Sm shares and options—equivalent to approximately 2.3 per cent of Cable and Wireless of the UK. The 1983 unaudited profits of

HK Telephone have been esti-mated at HK\$403m tUS\$51.7m; Mr Hotmes a Court said yes-terday this made Bell Resources BHP's second largest individual 38.8 per cent above those of 1982.

Cable and Wireless IC and Wi have confirmed that they will honour the HK\$5bn investment programme of HK Telephone Last August. Mr Holmes a Court launched an audocious offer for BHP shares, via the formerly obscure Wigmores. for the next five years. The HK\$500m a year programme for C and W's local unit is also to be continued, said Mr Brian Pemberton, the company's Far East director.

shareholder, after the Australian Mutual Provident

offer for BHP shares, wa the itermerly obscure Wigmores. His basic promise was that he could out-perform Australia's biggest company. The initial biggest company. The initial foray neited a mere 792,000 In addition to its BHP shares, BHP shares. Since then, Wig.

shares.

BHP's issued shares. Bell Resources imital 5 per

In addition, Bell Resources yesterday formally signed an acreement to acquire a 5 per cent stake in two major coal consortia being formed by BHP as a result of BHP's acquisition of Utah International from General Electric of the U.S.

cent stake in the consortia cost A\$137.5nt (U.S.\$127.6nt). It is negotiating an option on a further 5 per cent stake in each. to be purchased from GE.
Given the large number of Bell Resources options on issue

Weeks Petroleum, Bell Group expanded its holding in the Resources has maintained its Weeks parent company to 46 interim dividend at 10 cents a per cent—effective control—

The dramatic success, thus for, of Mr Holmes a Court's BHP play—and his relatively sudden emergence as a major buyer of Australian Resource interests—has prompted con-jecture that he is graving up for a second, and much more determined assault on BHP later this year.

Yesterday Bell Resources announced an interim net operating profit for the six month; to December 1983 of A\$1.4m, up 20.1 per cent on the previous corresponding period.

There was also an extra-

The Prime Minister also threatened to impose direct controls over trading bank lend-

Deputations from banks and

finance houses have failed to budge Sir Robert. On Wednesday, they were lold hitutiy: "Move or else." Some bankers have been aghast at the pressure applied and lite threats made by the Prime Minister.

One banker described the Prime

The threat to legislate to

force private companies to run at a loss bas been described as "truly amazing."

Minister's action as "appalling."

Bell Brothers Holdings. Bell Resources has maintained its

 Australia's regulatory body, the National Companies and Securities Commission, is hold ing talks with Bell Group following Bell's purchase of a controlling interest in Weeks Petroleum, reports Reuter from

Methourne.
The NCSC is examining the issues relating to the purchase of shares in Weeks Petroleum, For while none of the Weeks Petroleum shares were purchased on Australian stock exchanges, the acquisition by the Bell Group gave it a stake in Bell Group gave it a stake in Weeks Australia well over that permilled under the local takeover code.

India rejects

Alcan merger Montreal — Alean Aluminium sald the Government of India

has decided not to grant approval of the proposed merger of Indian Aluminlum, 50.5 per cent owned by Alcan Aluminium, and Mahindra Mihaindra, a diversified Indian

company engaged inthe auto-motive and agricultural equip-

ment sectors.
Alcan said the tentative merger, which was announced on September 29, 1982, was sub-

ject to several government and

regulatory approvals and had received the support of the cast

majority of the shareholders, AP-DJ

NZ interest rates forced down

Earlier this year, the Prime Minister told finance houses that

he wanted a general lowering of deposit interest rates. This week

trading banks. He threatened that, if he did not get agree-ment before he left for a month's tour of Britain and

Europe he would impose regula-lions which would result in the

finance houses operating at a

AFTER A week of heavy prespressure from Sir Robert, one building society moved to reduce sure and threats from Sir the interest charges on existing Robert Muldoon, New Zealand's Prime Minister, the country's finance houses and trading banks have agreed to lower their interest rates on deposits to 11 per cent. he put heavy pressure on the

Last year, Sir Robert acted to force down interest rates on new house and land mortgages to 11 per cent. Previously, they had been running at between 15 and 18 per cent

The new rates did not apply to existing mortgages. Yesterday, however, under the

NOTICE TO HOLDERS OF NISSHO IWAI CORPORATION

U.S. \$40,000,000 8 PER CENT.

CONVERTIBLE BONOS 1996 Pursuant in Clause 7/Bl and it's of the Trust Deed dated 16th

of the Trust Deed dated 16th October, 1980 under which the above mentioned Honds were issued notice is hereby given that, as a result of a free distribution of shares of common stock of the Company to shareholders of record as of 31st March, 1984. Japan Time, at the rate of 11.10 new share for each share held, the conversion price of the Bands will be adjusted from Yen 3888 per share of common stock to Yen. share of common stock to Yer 361.10 per share of common stock flaking into consideration a pre-vious public offering resulting in an adjustment of less than one You, effective as from 1st April.

NISSHO IWAI CORPORATION By: The Ikink of Tokyo Trust Company us Trustee Dated: 10th February, 1984

U.S.\$150,000,000 103% Bonds due 1993 The Notes and Bonds will be unconditionally guaranteed by

U.S.\$300,000,000

The Republic of France

for the sor menths from
-18th February 1984 to 18th August 1984
the notes will carry an inverest rate
of 18° * per annum.
The interest payable on the relevant
interest payment date, 18th August 1984,
against Coupen No. 3 will be
U.S. \$521.35 per U.S. \$10,000 note. Agent Bank: Morgan Euaranty Trust Company of New York

Électricité de France (Swedish Export Credit Corporation) Floating Rate Notes due 1995 and Warrants to Purchase Floating Rate Notes due 1987 and Warrants to purchase

U.S. \$112,500,000 141% Bonds due 1990 In accordance with the provisions of the Notes. for the period 10th February, 1984

SEK

U.S. \$75,000,000

AB Svensk Exportkredit

to 10th August, 1984 the Notes will carry an interest rate of 10! is per cent per annum. The amount of interest payable on the relevant interest payment date, 10th August, 1984, will be U.S.\$508.72 per U.S.\$10,000 and

U.S.\$50.87 per U.S.\$1,000. Agent Bank:

Morgan Guaranty Trust Company of New York

WHAT THE X-RAY DID FOR TB, THIS SHOULD DO FOR MULTIPLE SCLEROSIS.



With the invention of the X-ray machine, doctors gained new insight into the treatment of tuberculosis.

an NMR Scanner.

By studying X-rays of their patients they could monitor the effectiveness of one drug versus another, one treatment versus another.

The rest is happy history.

And now, scientists studying multiple sclerosis have been granted similar insight. With the invention of a machine called

An NMR Scanner doesn't use X-rays. Yet it produces astonishingly clear pictures

of the brain and nervous system. Since multiple sclerosis is a disease of the central nervous system, the NMR Scanner

was heaven sent Soin1983 the Multiple Sclerosis Society bought a Scanner, exclusively for research into multiple sclerosis.

The bill came to over £1 million. But it's worth every penny

We'll be able to evaluate, much more accurately and quickly, the effectiveness of different drugs. Or special diets. Or other

possible treatments (like the hyperbaric oxygen

chamber).

We'll also start to

learn, at a much faster rate, why people do get multiple sclerosis. Why some bear no outward sign of handicap. And why others suffer paralysis. impaired sight or incontinence.

But meanwhile we still need funds.

To keep research running and to care for over 50,000 sufferers, young and old, costs us over £3 million a year.

So please send us everything you can. By cheque, giro, postal order, cash, or credit card. And help multiple sclerosis go the way of tuberculosis.

| Card No. | Cardholder Septature | Donations receipted on |
|----------|----------------------|------------------------|
| Name | | |
| Address | <u> </u> | |
| | | |
| | | |

King

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OR SAL 35 a 447.

Australian revival underway

WITH THE Australian property property owning subsidiaries. Cain, Victoria's premier, market apparently set for a Bob Salisbury, chief execumarket apparently set for a strong recovery, foreign investors and developers are the Australian agents who have assemble and there is planning consent for a scheme involving the prospect of a friendly But he says it is not impossible welcome from the dreaded to climb and believes it is well Foreign Investment Review

While the longer-term potential for the Australian economy for profitable investment. makes it a potentially attractive market for property men from overseas, the prospect of a fight with the FIRB invariably stifiles their enthusiasm

As watchdog for Australian policy on domestic investment by foreigners, the FIRB advises the government on whether proposed investment will bring economic benefits to Australia or whether it will simply fatten up foreign speculators.

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There are some daunting guidelines. Every real estate

been shown the door and others have had to perform some delicate manoeuvres in order to win through MEPC, for example, had to buy itself a minority stake in a property unit trust in order to revitalise a dying Australian development pro-gramme and Hammerson held

worth the effort, given Austra-lia's growing importance in the Pacific basin and the potential

His view is shared by Bill Kerr, partner in charge of Richard Ellis in Australia, who was also in London this week. Kerr it is who is seeking investors and developers keen to play a rola in the A\$200m-300m development of Melbourne Cen-tral, an office, retail and hotel scheme planned for a site in the heart of the city.

"Many outsiders think that investment in Australia is now virtually impossible hecause of FIRB rules. There are, in fact, guidelines. Every real estate investment over A\$350,000 is subject to approval, equity participation must involve a minimum 50 per cent Australian interest and there must be proven net economic benefits to the economy.

Many potential investors have been shown the door and others because in fact, no rules and the guidelines set down are open for negotiation in every case. The Board has repeatedly proved its flexibility and, providing investors appreciate Australia's desire to enture their activities are of benefit to Australians, approval can be forthcoming." Kerr emphasises.

Given his search in Asia, the UK and the United States for partners to join the Victoria government in developing the Melbourne site, Kerr obviously believes approval will be forthcoming in this particular case. its breath last year when seeking approval to acquire the prospect of foreign participation the minority interests in a string of tion, is fully endorsed by John away.

about to be offered not only the chance to participate in one of the country's most ambitious development schemes but also development schemes but also for interested foreign investors.

Rut be says it is not impossible sq ft of offices is feasible. sq ft of offices is feasible.

It aeems that any deal which will see development begin will be considered, including outright sale of the site, a leasing arrangement, a joint venture or a consortium approach. In-terests must be registered by March 26.

But if the prospect is so attractive, why the need to search overseas for money and development expertise? "The development expertise? "The development is of such importance that we want it to be the best and that means spreading the net as wide as we can. For those wanting to establish or ex-oand their Australian property interests, there will be no better opportunity."

As for the remainder of the Australian market, there are distinct signs that, after two flat years, demand and rents are rising while yields are quickly coming down. Institutional investors.

cently net sellers of property. having to compete with the rash of property trusts which are being formed at a spectacular rate—30 last year alone With top office rents in Sydney at around £17 a sq ft, yields have been standing at 61-7 per cent. Kerr says they have come back to 61 per cent in the short time he has been **Eagle Star plans** major City scheme

EAGLE STAR Properties is planning to demolish e 20-year old City of London office building on the northern end of Southwark Bridge and develop 138,500 sq ft of new Eagle Star holds a lease on

Malvern House, Upper Thames Street, now largely empty and which incorporates a car showroom at ground floor level. The City of Lon-don is the freeholder and talks between the two sides, prior to submission of a planning application, are being held. Eagle Star is believed to want a new, 125-year lease. to want a new, 125-year lease. • Canadian Dutch Properties has finally let Dorset House, the 89,500 sq ft office building close to the sonthern end of Blackfriars Bridge. Customs & Excise will be paying about £900,000 a year rent (around £10 a sq ft) for the offices, on the market since the summer of 1982. A deal at about £12.50 a sq ft was the summer of 1982. A deal at about £12.50 a sq ft was close a year ago and, more recently, the asking price was about £11 a sq ft. Debenham Tewson & Chinnocks and Jones Lang Wootton acted for the developer.

the developer. Brixton Estate bas paid Legal and General's Life Fund £8.5m for the freehold Fund £8.5m for the freehold nf Argent House, the £7,000 sq ft office building in Finsbury Square EC2. The property has been vacant since Angust 1982, when transan Oil Services was wound np. Riebard Ellis and Weatherall Green and Smith acted for L and G and Wright Oliphant and Tribe repre-sented Brixton.

THE PROPERTY MARKET BY MICHAEL CASSELL

● Midland Bank Pension Trust has let 25,000 sq ft—on four floors—in Griffin House, next to Charing Cross station, at a rent of around £19 a sq ft. The tenant is Enterprise Oil, represented by Richard Ellis. The remaining 40,000 sq ft is being offered through Jones Lang Wootton.

London Shop Property Trust has paid around £2m for the freehold of Knowles

House, Redhill, comprising twelve shops and 23,500 sq ft of offices—let to the Civil Aviation Authority.

Cannon Group Cannon Group has paid close to £450,000 for a site in

Vale Avenue, Tunhridge Wells, and intends to develop a 16,500 sq ft office building. Peter Taylor acquired the site and arranged a £1.5m funding and arranged a £1.8m funding facility with Royal Life Insurance, advised by St. Quintin. Both agents will be responsible for letting.

• European Banking Company is moving from 150 Leadenhall St., City, and Savills will be seeking a six-figure premium for an assign. figure premlum for an assignment of the lease on the 19,000

sq ft of office space on three floors, together with 1,700 sq ft of storage space, fixtures and fittings. The lease runs until 1997. Current rent is £600,000 a year and Savills will also consider a sub-let at £700,000 a year. Free-bolders Banque Belge occupy Free-

the remainder of the building.

Space surplus still persists

example, the first oil crisis left 600,000 sq m of empty office space behind it and, during the intervening 10-year period as whole, there bas been no rental growth.

Nearly a year ago, local agents Zadelhoff were talking about a Zageinon were taking about a serious oversupply in Munich; by December they were predicting the same problems for Dusseldorf by 1986. This week, Chris Bull-Diamond, who heads Frankfurt operations for Weatherall Green and Smith, predicted that 40,000 sq metres would be available for letting in the city by the end of next year.

But there are also some parallels with the recent more encouraging experience in the UK. The West German office market generally has picked up with the announcement of a number of larger lettings since the autumn of last year; the bulk of present and potential supply is in peripheral locations and as Buil-Diamond puts it "the risk of massive over-supply has receded."

Weatherall's 1984 German property market report concentrates on the investment market. Over the past 12 months, It says, institutions have been moving out of the equivalent of gilts, as interest rates have receded, and into equities and property. In Frankfurt, Bull-Diamond calculated what this trend has done to property

transactions. "but in By the end of the year the done so." full advantage of this reduction was remaining with the vendor, and property values could be said to have increased by the full 5 per cent without any yield disadvantage to the incoming

> Next came a 1 point downward movement in yields—cur-rently calculated by Weatheralis at 5 to 51 per cent for prime central area offices and 41 tu 51 per cent for similar retail locations—taking overall capital appreciation up to 10 per cent. On top of that Bull-Diamond reckons that there were three percentage points of indexed rental growth. "So, crudely," he says, "you get total capital appreciation of 13 per cent."

There bave been ways of doing better than this, some of them involving foreign investors. Legal & General bought Deutschmarks advantageously when it took over a portfolio of one small, and two medium sized properties from Dutch property group Wereldehave in the autumn of 1982.

On top of that, says Bull-Diamond, property management can do a lot. L & G bought on a 51 per cent yield, and for the one secondary property in its collection the rent has gone up from DM 12 to DM 18 per sq metre per month (from £3.45 to £5.17 per sq ft per annum). Frankfurt is the top office

centre in West Germany. Its

the recurrent theme in the West German office property market, though hopes are growing that the worst is now over.

In cities ilke Frankfurt, for example, the first oil crisis left

There were three elements in prime vents are cany a third of the said, the first oil crisis left the equation, he said, the first oil cross just a quarter. With minimal rates to pay. "UK the worst is now over.

There were three elements in prime vents are cany a third of the very the said, the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay." "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay. "UK the said the first oil cross just a quarter. With minimal rates to pay." "UK the said the first oil cross just a quarter. With the said the first oil cross just a quarter. With the said the first oil cross just a quarter. With the said the first oil cross just a quarter. With the said the first oil cross just a quarter. With the said the first oil cross just a quarter. With the said the first oil cross just a quarter. With the said the

Relatively uninspiring buildings in decentralised locations like Nideerrad and Eschhorn can do better than the glass palaces in the centre. The Deutsche Bank's new twin tower headquarters in the centre of Frankfurt is a thing of beauty, reflecting local nlanning encouragement to build high rather than wide. But oresumably the owner-occuoier can afford to ignore professional re-servations about its prospects

as a vacant occupancy invest-Weatheralls are not nredictine any further general move-ment in investment values this year. Last year's rise was locally based. Bull-Dlamond thinks
that the life funds will
be circumscribed by the
Bundesaufsichtent, the federal
sunervisory hody which overlooks institutional investment and sees to it that two-thirds of the 15 per cent of life funds typically coine into property end up in residential invest-

WILLIAM COCHRANE

The British Insurance Brokers Association has taken the whole of 10-16 Bevis Marks, EC3, the 11,260 sq ft office building developed by Haselemere Estates in conjunction with the City Corporation. Richard Ellis acted for BIBA.

(K) for Industry

ALTON, HANTS. Warehouse/Foctory

BEDFORD (Elms Industrial Estate) Warehouse/Industrial automy 21,000-84,000 sq ft LEASE or FREEHOLD FOR SALE

BRISTOL (Bath Road) 11,828 ag it Factory/Warehouse LEASE FOR SALE

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MAIDSTONE, KENT New Warehouse/Factory Units 5,465-22,420 aq ft TO LET

STRATFORD, E.IS 10.456 sq ft GROUND LEASE FOR SALE/TO LET WOKINGHAM, BERKS.

WOOD GREEN, N.22

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On the instructions of British Aerospace ple

BITTESWELL **AERODROME**

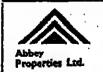
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🛘 Recently refurbished 🖾 Boardroom Central heating Kitchen

Approx 12,160 sq. ft.

Stratton Exercise Holborow St. Australia

TRURO, CORNWALL FORMER SCHOOL PREMISES FOR DEVELOPMENT 13,000 eq ft - 1.3 acres

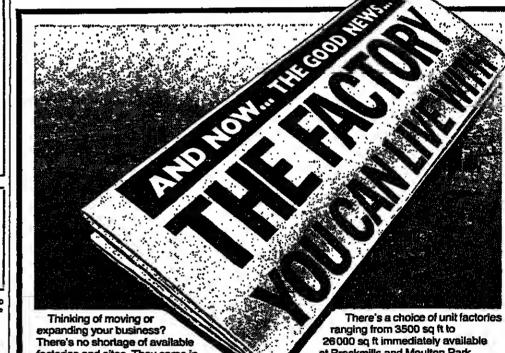
For Sale by Auc March 16th 1984.

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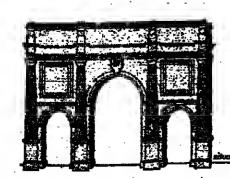
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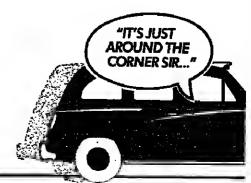
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PROPERTY IN WALES

Development of the market remains largely underpinned by initiatives from public institutions of various kinds

Public bodies foster private ventures

NOT MANY years ago, news The chief infinences in the that the Government was plan industrial and commercial proning to reduce the amount grants by balf, with particular ing activities of the Welsb emphasis on the aid disbursed Development Agency. emphasis on the aid disbursed to Wales (and Scotland), would have sent a shudder through the Welsh property market. Ever since the 1980s, Wales has been a major recipient of

regional development ald as it bas sought to overcome the legacy of overdependence upon the coal and steel industries. As it is, last month's publication of a Government Bill designed to lead to "a significant reduction in planned expenditure on regional development grants," caused The efforts of the Wales very little fuss. There is far more concern about the impact of the Severn Bridge's problems on the flow of inward invest-ment in industrial south Wales.

Regional grants

It remains to be seen if Wales's reaction has been mis-judged. In 1982-83 it received £182m in regional grants and the year before that £211m. In the fiercely competitive international market for new and expanding industries, Wales can ill afford any eakening in its incentives

On the other hand there is an argument that the label "assisted area" is becoming a drawback, that it paints a now totally false picture of Wales as an area of industrial grime and coaltips. Furthermore, if the current regional policy review results in a shift towards greater encouragement of service industries, it could give a desirable boost to the growth of specialist and professional services, essential to a modern economy but which have tended to be under-

represented in Wales. Certainly, Wales, unlike Scot-land, has no powerful, long-established financial community of the own This learned with the semiconductor industry. of its own. This is important when it comes to satisfying the shifting and increasingly sophisticated demands of the industrial and commercial property market and it explains why within sector institutions rether public sector institutions rather poration, which is launching a than private sector are playing floppy computer disc manufacan increasing entreprenential turing venture on Cwmbran's role in the property market in Hantarnam industrial park in

perty markets in Wales are: The investment and market-

 The availability of Welsb Office selective financial assistance and urban development grants to encourage private sector developments;

The Land Authority for Wales's powers to assemble sits, put in the necessary infrastructure and sell them on for development.

ford Haven, and now the new Freeport at Cardiff:

The efforts of the Wales Tourist Board to stimulate private investment in new tourist facilities;

• The work of local authorities. and the growing number of enterprise trusts, to improve industial and husiness infrastructure and accommodation; The major improvements still heing made in the Welsh

roads network. In keeping with government policy, virtually all the activi-ties of the public sector institu-tions are being increasingly geared to stimulating private investment, notably in the property sector. As the recovery gets underway, albeit relatively slowly, they are triggering a range of interesting develop-

ments.
Industrially, Wales has been experiencing an improved flow of new manufacturing projects, an important number of them in high technology areas. South Wales's efforts to take advantage of the microelectronics growth along the M4 corridor, in particular, are meeting with suc-cess. Ferranti, Inmos and Mitel have been joined in the last year by Align-Rite Corporation, which is hullding a £5m plant industry, along with Comdial Communications Corporation, which is establishing a major plant near Cardiff to produce telecommunications equipment, and, most recently, Parrot Cor-poration, which is launching a

This last project is the most spectacular example to date of the WDA's growing merchant banking role. To get the project off the ground, it pulled together a venture capital package of £7m, which includes major City Institutional funds.

In addition, there has been a growing number of expansions by longer-established, overseasowned, companies such as National Panasonic and Sony, and Welsh hand grown and the such as the s and Welsh based-groups such as AB Electronics, Datatype Ter-minals and Dragon Data. AB Electronics is developing a major new facility at Rogerstone, Gwent, for the production of Acorn Microcomputers, sub-assemblies for the IBM personal computer, and electronic systems the new Jaguar car.

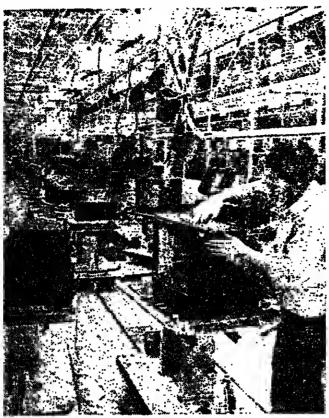
Major stream

North Wales, too, has been enjoying a stream of major new projects. The most spectacu-lar last year was United Paper Mills's £125m investment in a new paper and newsprint mill. The most recent this year bas been Angus Chemicals, a £8m U.S.-French fine chemicals venture. Overall, the WDA has let just

about 1m sq ft over the past 12 months at gradually improving rents. Demand is most huoyant io the South East corner of Wales and in the Deeside-Wrexham area of North Wales. The gradual improvement is also reflected in the success local authorities bave been hav-

ing with small units. Torfaen borough council, for example, has only seven of the 27 workshop and small factory units it completed on the North Pontypool industrial park last May still unoccupied. Further West, the Neath Development Partnership, a CBI-initiated partnership be-

tween the private sector and Neath borough council, has let 40 of the 50 small industrial units It has huilt in the past two years, even though the area has to compete with the attractions of the nearby Swansea Enterprise Zone.
Still further west, Llanelli borough council has let all 31



The television production line at the Sony plant at Bridgend. part of the flow of high technology projects being attracted

industrial property is not re-flected to the same extent in the office sector. To Cardiff's great disappointment, there has been no follow-up to Chemical Bank's relocation of most of its UK activities from London to the Welsb capital.
That said, agents report a

better turnover of office suites and a lively demand for space in attractive locations. A rental of £6 a sq ft bas been agreed for 30,000 sq ft in Fitzalan Court, a new development by Campaign Properties aimed at the regional headquarters market which is due to be completed by the end of the year.

A sign of better times to come is a more buoyant market for development land. According to Mr Ted Howells, chief executive of the Land Authority for Wales, there is much more interest from pros-pective buyers than six months rather a gradual uplift in all three main sectors of the market.

have its finger on the pulse because of its role in ensuring there is an adequate supply of development land to meet the

ON OTHER PAGES

The Land Anthority tends to

on a 64-acre industrial estate lt forced to cut back purchases is developing at Cross Hands. Into its revolving land bank to The more buoyant market for only 58 acres worth £1.1m to

avoid cash flow problems. This financial year, its disposals to the building industry bave greatly improved and it is on course to meet its sales target of £7m. It is also con-fident of meeting its £5.5m

Marked progress

Another important aspect of the current market in Wales are the changes still taking places in property perspectives as a result of communication improvements. Over the pust year marked progress has been made in speeding up communications with west Wales, due to the opening of the Carmarthen hypass and the straightening of other key sections of the A40. In North Wales, work is now pressing ahead in earnest on the A55 dual carriageway which will provide a far faster link between English border and Anglesey.

Sharp improvements are also heing achieved in communica-tion links in the South Wales valleys, and in and around Car-diff, which are long-overdue. By development land to meet the all accounts the hullding of a needs of the market. During dual carriage link between Car-the year ended last March 31, diff and Merthyr Tydfil, which is he authority disposed of only now well-advanced, was first 312 acres, worth £4m, and was mooted during World War I.

Swansea and the other enterprise zones are expected to provide a growing stimulus

Encouraging inflow of new companies

THE WELSH industrial and established companies fuside continuing their involvement in commercial property map has the boundaries have created the zone. been altered significantly in the past year by the addition of Milford Haven and other enter-prise zones to Wales' first at

Most intriguing is the Milford Haveo EZ, which is due to be officially designated in a matter of weeks. It is unusual among enterprise zones in heing made up of 13 separate sites, totalling more than 350 acres, scattered around the Milford Haven waterway. Moreover, they offer considerable opportunities for leisure and tourism projects as well as industrial and commercial developments.

On the north side of the waterway the zone takes in 48 acres of the Milford Docks area, three other sites with deep-water access and two others embracing both existing indus-trial estates and green-field

On the south side there are six separate sites in and around the town of Pembroke Dock. The two largest are 49 acres of former Royal Naval Dockyard and 53 acres around the Waterloo Estate, where there is scope for the development of a marina.

Forum established

Because of the EZ's frag-nented character and the multitude of ownerships involved an upsurge in development is hy no means assured. But in a hid to get things moving the two district councils involved, Preseli and South Pembrokeshire, have formed an EZ forum embracing other interested bodies such as Dyfed County Council and the Milford Haven Conservancy Board and have appointed a full-time EZ mana-

appointed a full-time EZ manager. The Welsh Development Agency (WDA) has also been called in to advise on a development and marketing strategy.

Attracting projects to a site as far west as Milford Haven is not easy but communications have been improved significantly in the past year by trunk road. in the past year by trunk road improvements and the WDA is currently experiencing a good demand for its existing units in the area, which augurs well for

In North Wales, Delyn's 293acre enterprise zone at Flint is fust six months old. It has so far attracted six new companies to the zone which together with

Unfortunately, major re-development work has been slowed a little by a Welsh Office moratorium on local authority capital spending until April. This has held up clearance from large parts of the zone of old premises and the provision of infrastructure and new services.

£18m investment

Meanwhile, Swansea's Enterprise Zone is continuing to bear ont its reputation as one of the more successful in the country. The amount of new floor space is now approaching the 1m sq ft

is now approaching the Im sq ft mark, thanks to £18m of mainly private capital investment since the area's designation was first mooted in the 1980 budget.

At the last count a total of 119 companies had moved into the zone, which is to be expanded shortly to take in 40 derelict acres, bringing it up to 775 acres. Of the businesses that have moved in, 69 are new undertakings and 50 relocations within the locality. new undertakings and 50 re-locations within the locality. They represent a good mix of manufacturing, wholesaling and retailing, employing together nearly 1,000 at present and an expected 1,500. On average about ona in ten enquiries for space are being turned into specific developments. specific developments.

Swansea Council remains op-timistic. The take-up of ad-vance factory units has been

the boundaries have created 149 jobs since designation. The level of enquiries for space has been growing and Delyn has only one small unit left avallable. But the WDA has I7 units to let, ranging from 1,500 sq ft to 10,000 sq ft, and David McLean, a local developer, is building a 13,000 sq ft factory within the zone which can if necessary be divided into smaller units.

Unfortunately, major redevelopment work has loved a little by a Welsh Office. The incentives of an enterprise zone are of course a decidence, is case they are due to expire in a little over seven years. As a result to extend beginning to stress the inherent value of the zone as a prime industrial and commercial location and, as some of the advance factory development work has been growing and Delyn has cone are of course a decidence in course and they are due to expire in a little over seven years. As a result to extend beginning to stress the inherent value of the zone as a prime industrial and commercial location and, as some of the advance factory development work has left and the council is already beginning to stress the inherent value of the zone as a prime industrial and commercial location and, as some of the advance factory developments in the zone are due to expire in a little over seven years. As a result the zone are due to expire in a little over seven years. As a result the council is already beginning to stress the inherent value of the zone are due to expire in a little over seven years. As a result the council is already beginning to stress the inherent value of the zone as a prime industrial and commercial location and, as some of the advance factory developments in the zone are due to expire in a little over seven years. As a result the zone are due to expire in a little over seven years. As a result they are due to expire in a little over seven years. As a prime industrial and commercial location and the zone are due to expire in a little over seven years. As a result they are due to expire in a little over seven years. As a

Abrupt halt

Another measure of the Swanness is that Comfort Inns are proposing to build 0 127-room hotel with associated conference and trade exhibition facilities within the zone.

It would have liked the added

advantage of freeport status— for which it applied — but speculotion over which Welsh port might secure freeport halt earlier this month by the Government's announcement that Cardiff is to be one of six

in the UK.

The developer to win the Cardiff prize is a consortium pulled together by Peorce (Wales), a subsidiary of the C. H. Peorce group. It also in-cludes consultant engineers Ove Arup and Partners, I. E. Symonds, the Cardiff quantity surveyors, and two Cardiff architectural partnerships, Lawray and Dale Kennedy.

Mr Allan Pike, marketing

manager of the project, says that the consortium is initially planning to develop 40 acres. It has the option of two Welsh Development Agency sites or Associated British Ports land which altogether add up to some 220 acres. It plans to begin construction within six rapid and, significantly, all the private development companies which have undertaken building schemes since designation are some zero activity. It plants six properties to begin construction within six months of the first units for companies wishing to take advantage of the freeport status.









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PROPERTY IN WALES II



The Welsh Development Agency's Decside Industrial Park, Shotton, where the first innovation centre in Wales was launched.

WDA strengthening the country's industrial infrastructure

Science park on the way

sign that it will see the light of day very soon as a result of the aggressive new merchant banking role being adopted by the Welsh Development Agency to strengthen Wales' industrial property infrastructure.

The scheme on the drawing board is for an innovation centre, a biotechnology centre, a biotechnology block and other facilities, where promising new products and processes, developed in Swansea University College's research laboratories, can be put on a business footing in a relatively sheltered environ-ment, before being launched commercially. The venture would bowever be required to pay realistic rents of £3-£4 a

Response

The WDA, in association with Swansea City Council and West Glamorgan County Council, has already funded a research project which confirmed Swansea as one of the few universities are shared, as well as the where "spin outs" to the bene-rewards. fit of the local economy do actually happen already. It has also sounded out the EEC social fund about the possibility of financial backing for the science park's management structure and the response has been

Now the WDA is seeking a private developer to put up the bulk of the cash for the develop-

SWANSEA UNIVERSITY agency's new approach. Gone and with the choice of developer science park is not yet a are the days when the WDA and operator. reality but there is every was mainly concerned with Originally the WDA expected crash advance factory building programmes in response to the massive redundancies in the Welsh steel industry in the late 1970s and early 1980s.

The first innovation centre in The first innovation centre in Wales was launched on the WDA's Deeside industrial park. North Wales, last spring, in association with Clwyd County Council and the North East Wales Institute of Higher

aimed at high-tech ventures requiring high quality accommodation, at Cleppa Park, Newport.

but neither has private sector

In the meantime, the WDA participation.

However, the agency sees lts role increasingly in terms of using its expertise and public resources to "lever out" private Investment — by identifying opportunities, doing the feas-ability studies, and then seeking a partnership with private sector developments in which the risks and investment costs

Moreover, the agency is no longer limiting Itself to Industrial property alone. Under the heading of "special projects," It is investigating leisure, shons, office and even residential investment opportunities.

An early success of this broader-based approach is the planned development of a bulk of the cash for the develop-ment and three are already showing interest. The WDA helped the local The Swansea science park is authority to decide how the de-just one illustration of the velopment should take place.

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also to participate financially in the project. But in the end. a local consortium pulled together to carry out the construction, felt sufficiently confident to press ahead with the acbeme on

Shops

The same has also happened in the case of the agency's first excursion into the abops mar-ket. What began as an upmarket In the summer, it unveiled shopping development in a plans for a similar development, major town, with WDA financial

> still has a good deal of conventional industrial space on its hands, a hangover from the period in 1981-82 when it was completing more than one factory a day in steel closure areas. But it is a measure of the improving market that the percentage of empty space in its portfolio has falleo from a peak of 15.5 per cent in November 1982 to a current

level of 13.6 per cent.
In the past 12 months, the totalling Im sq ft, reducing its stock of unoccupied premises

adequate range of ready-to-occupy units of different sizes. A modest programme of new factory huilding bas just heen announced — 15 units in North Wales and 13 in South Wales to provide a total of 130,000 sq ft and fill gaps in the range available in certain areas.

Demand is proving particu-larly buoyant in the Newport-South Gwent area. As well as a good take-up of off-the-peg premises, the agency is also premises, the agency is also building bespoke factories for AB Electronics, Berlei and Benson's crisps. There is also a firm demand in Deeside and Wrexbam, North Wales, where rents tend to be 10-15 per cent cheaper than in South Wales.

The agency would be happy to leave more development of industrial property to the market. But the private sector remains generally hesitant about committing itself to speculative ventures, though the WDA's activities have not pre-vented the Norcros Group from achieving an excellent take-up of units at top rentals on the large Industrial estate it is de-veloping in North Cardiff, Cardiff Industrial Park.

stock of unoccupied premises to 2.9m sq ft or 400 factories.

Demand has been particularly buoyant since the autumn and this has produced a 30 per cent improvement in lettings in the second half of 1983 compared with only £1 three with a year earlier. As a result, the agency believes it can find tenants in the coming 12 months for a further 1.5m sq ft. for a further 1.5m sq ft. tive locations are now attracting
At the same time, it is acting £2 to £2.50 a square foot.

Marina, hotel and conference centre scheme attracting attention in Europe

Swansea regains sea legs

ANYBODY WHO knows Swan-sea but has not visited the city recently is likely to be bowled over by the dramatic transfor-mation now taking place between Swansea's old commer-

cial centre and the sea. What, only mooths ago, was Swansea'a derellct South Dock and foreshore is now well on the way towards being compre-hensively redeveloped as a major, and very attractive, new

extension to the city.

The central feature of the redevelopment — the refurbish-ment of the dock as a 17-acre

ment of the dock as a 17-acre yachting marina, with space for 300 boats and new high-speed lock gates — is largely completed.

Work is about to start on a new 150-bedroom hotel and a 1,000-seat conference centre being developed by Ocean Properties, a Florida-based hotel group, which has chosen what is now known as Swansea's Maritime Ouarter for its first Maritime Quarter for its first excursion in the UK hotel business. Construction of a num-ber of other residential — commercial schemes incorporated in the overall development is al-ready well advanced.

Tailored

The key to the rapid progress The key to the rapid progress heing made on this major redevelopment, which has attracted attention throughout Europe Is what is being dubbed "the Swansea system" — administrative and planning processes which have heen specially tailored by Swansea City Council to achieve rapid land development and private sector partnerships

partnerships.
Mr Maurice Howell, the city's the important stages of the Swansea system as laod assembly; preparation of tight plan-ning briefs for various sections of the redevelopment; prior planning approval by deemed consent; the inviting of teoders from developers; their competi tive appraisal and assessment the selection of optional pro-posals; and, finally, the formula-Moreover, in distinct contrast posals; and, finally, the formula-to most other parts of the UK tion and completion of a part-at present, the agency is achieved nership scheme between the

Swansea ratepayers have ob-viously put up a slice of the



yachting marina, that has already been carried ont at

public sector fioance. But the to develop other sites in the EEC has also chipped in a sig- scheme is well under way nificant sum and the Govern- Whitegates Construction has ment's Urban Development already completed a substantial Grants scheme has also been an eccioo of a £5m linear develop-important element in accelerat- meot along the Marina's north-

nouses, retail units, a restaur-ant, public house and squash courts which is being developed by a consortium of Barratt, United Kingdom Housing Trust

and E. Turner and Sons. Construction work by two local groups who won contracts

other features of the development include a new film maritime village of 500 flats and houses, retail units, a restaurant, public house and sought of the sought includes a small hotel and 11 ahops. Meanwhile, Ratebeath and 11 court of the sought of the s local builder, has already let the first phase of a £1.8m flats and studios development.

Other developments to come are a £2.5m residential and repairing the ravages of retail scheme by Abbey Housing, a £750,000 mixed residencentury industrialisation.

On the instructions of the Welsh Development Agency

tial-retail development by Target Housing, and a £10m superstore by Salnsbury.

Demolition of the derelict Weaver mill, which has long scarred the eastern entrance to Swansea, to make way for Sains-

bury, is well advanced. Ooly two sites within the new maritime quarter are not yet tied up. One is for a marinarelated retail, leisure and amenity block of less than one acre. The other is the conversion of an old pump house alongside the marina into a commercial property.

Swansea's major redevelop-ment ambitions have by no means been exhausted by the new Maritime Quarter. It is now setting its aighta on revitalising the area alongside the River Tawe, to the north of the redevelopment.

To this end, the council has put io a bid for designation as the site for the third British gardens festival.

A ceotral feature of this edevelopment will be the bullding of a barrage across the mouth of the River Tawe to create an attractive takeside environment for a range of developments. Its effect will not only be to remove the psychological barrier which has long existed between West and East Swansea, but it will also be the final piece in the jigsaw of repairing the ravages of the lower Swansca valley by 19th

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BY ORDER OF PROPERTY COMPANIES, TRUSTEES AND OTHERS AUCTION SALE

Freshold Investments and Freshold Ground Rents secured on mainly commercial premises with substantial revariants potential in South Water at South Water at The Great Western Hotel, Paddington, London on Tuesday 28th February, 1964 at 2.00 pm (unless previously sold)

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£80m Cardiff scheme

ward at considerable speed. It is less than a year since the Idea of comprehensively

redeveloping a 154-acre area around Bute East Dock was first discussed. Yet Tarmac Construction, the developer selected for the scheme, is

Plan for dockland speeding ahead

example and with the active encouragement of Mr Nicholas Edwards, Secretary of State for Wales, Cardiff has embarked on the redevelopment of a large slice of its derelict dockland to give a major fresh dimension to the Principality's capital city.

The project is going for-

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due to be on site in a matter of months. of months.

No fewer than five consortia put up attractive plans for the redevelopment project, which will cost around £80m. But it quickly developed into competition between McAlpine and Tarmac and Sonth Glamorgan County Council, whose backing was required to seenre the nrban development grant essential for the scheme, eventually plumped for Tarmac. So too did the chlef landowner, Associated British Marble fined entrance half landowner, Associated British Forts, and the Land Authority for Wales (LAW), which had originally started to assemble the land from a variety of ownerships for Industrial uses, using Ita powers to huy and sell development land. The two have formed a partnership to bring forward the Luxury carpeting through

nersblp to bring forward the land required for the scheme. But LAW will dispose of its holding once the development is completed. Budget

The final go-thead is now awaiting a Welsh Office urhan

development grant (UDG) allocation. Tarmac originally applied for £4.2m towards the £24m cost of the first phase of the development, schednled to he completed in three

years. But this assumed that the Welsh Development

has been found to be ontside the WDA's legal powers so that the UDG requirement is now £8m. Even so, given the Secre-

to clean up the site from its derellet land budget. But it

tary of State's enthusiasm for the project, the amount required is still expected to be forthcoming, albeit in two or three tranches. There is also a safety problem with gas tanks helonging to Allied Steel overlooking the site. This will have to be dealt with. But again, given the political momentum, this is not regarded as an insuper-able obstacle. Over 40 acres of the devel-

opment will he devoted to a mix of residential units and student accommodation, another 10 acres to a district shopping centre and a further 14 to a new county hall for South Glamorgan. Provision is also being made for the eventual building of a Welsh National Theatre-Opera House on a seven-and-half acre site.

Commercially, major office developments were ruled out by the original brief. But more than £2m will be spent on refurbishing derelict warehouses as offices, workshops and small shops. There will also be some quality nursery units for aeed bed high tech-

nology venfores.

The amenity value of the dock will be exploited vigorously. The scheme also includes a water sports-commnnity centre for developing its use as a place for sailing, canocing and angling.



Tarmac's plan for the redevelopment of the 154 acres around Bute East Dock, Cardiff.

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Section of the section

PROPERTY IN WALES III



One of Llandudno's main shopping thoroughfares; Mostyn Street. A study recommends restoration of the east iron verandas over the shops, a distinctive feature of the resort's Victorian traditions.

Resorts hope to attract entrepreneurs in entertainment schemes

Expansion at the seaside

BY THE end of this decade the elegant seaside town of Llandudno, queen of the Welsh dudno, queen of the Welsh by local interests. It is estimated resorts, will be enhanced by a major new attraction—a 70-acre American-style entertainment Liandudno, earn at least £12m park along the lines of Disneyland and Legoland City, providing, that is, the Wales Tourist by local interests. It is estimated that such an attraction could pull in 2m visitors a year to Liandudno, earn at least £12m per annum, give permanent employment to 300 people and seasonal employment to a further \$200. land and Legoland City, provid-ing, that is, the Wales Tourist Board (WTB) can find an appropriate developer with some £53m to invest in tha

This ambitious scheme is just one of a series of tourism and investment packages which the WTB is identifying and marketing to prospective investors in order to strengthen Wales's competitive edge in the tourism business and encourage expansion in one of Wales's most important industries.

Although competition from

Although competition from overseas resorts remains as fierce as ever, Wales has 12 per cent of the British boliday market and is doing well in the growing second holiday and short breaks sector. Yet the WTB is acutely conscious of the fact that the industry will only continue to prosper so long as

Themes

The proposed themes for the entertainment park include Alice in Wonderland, sun and seascapes from around the world, George Borrow's Wild Wales and the mediaeval history of the county of Gwynedd.

Another example of the WTB's new approach is its strategy for a chain of marinas around the Welsh coast. This was well received when it was first published in 1982 and is now stimulating activity on the ground. Near Cardiff a local consortium has decided to go consortium has decided to go ahead with the redevelopment of Penarth's derelict dock as a marina, which will tie in well

More recently, WTB published a detailed examination of Wales's historic resorts, designed to alert property investors and local anthorities to the importance, in terms of visitor sppeal, of repairing buildings and whole areas in traditional resorts in a sympathetic manner.

In Llandudno, for example, the study recommends the restoration, replacement and repair of the cast from verandas which line the main shopping streets and a system of signing which would reflect the town's Victorian traditions.

For Aberystwyth the report suggests that a tourist enter-prise precinct could be successfully linked in with the harbour redevelopment. In Colwyn Bay it says that Station Road prob-ably has the greatest potential in North Wales for the revival of a high quality shopping en-clave for the more affluent

Further WTB strategies are fact that the industry will only with Swansea's stready completed marina. Developers are in industrial valleys of attractions.

The Liandudno project is the and Pwilheli and more work is specific development opportunity.

ties, using Wales's inland lakes, rivers and canals. The second will point the way forward for capitalising on Wales's unique industrial beritage.

Museum

A number of important pro-jects has already gone ahead in industrial Wales, notably the conservation of Big Pit in Gwent's Eastern Valley as a museum for the once massive South Wales coal industry. In West Glamorgan the Neath Development Partnership has identified in replace regulating identified six projects requiring investment of up to £500,000 to develop the Neath Vailey's tourist appeal. It has also got local interests together to form a tourist association to market

the area's attractions.

Mr Gwyn Davies, WTB's deve-lopment director, stresses that the overall strategy is also taking account of the need to avoid an overlap and duplica-tion of specific themes and attractions. The Industrial Valleys Study, for instance, comes out against conservation of another coal mine as a museum — the Rhondda would like one of its own — but sug-

Big superstore proposals dominate the retail sector

Developers boost their shopping list

Thorpe and Partners in 45 towns and cities throughout Britain came up with the un-expected finding that prime sites in Cardiff are presently more expensive than Regent Street and Knightsbridge—285 a square foot as against £70 and £60 in the London centres.

One possible explanation may be that Cardiff has a major new shopping facility in the shape of the St David's Centre. But it one possible explanation may be that Cardiff has a major new shopping facility in the shape of the St David's Centre. But it may also be a pointer to why Guardian Royal Exchange has gone to a pubtic inquiry to contest Cardiff City Council's refusal to grant planning approval for its proposed £23m Queensgate development in the central sbopping area of the city of shopping area of the city of shopping area of the city of shopping area of the city and a greater inflow of shopping surface.

As proposed, Queensgata would be a Covent Gardenstyle speciality shopping centre complete with waterfall and pavement cafes. But the fear, being forcefully expressed in

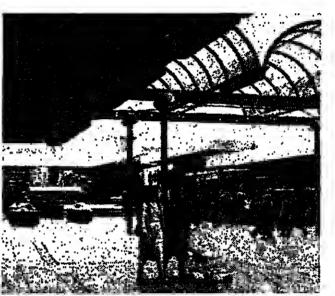
A RECENT survey of High the inquiry is that it will lead Street shop rents by Bernard to Cardiff being overshopped. One witness claimed up to £30m in turnover would be siphoned off existing traders and that speciality shops in Cardiff's existing network of arcades would be closed.

An anchor

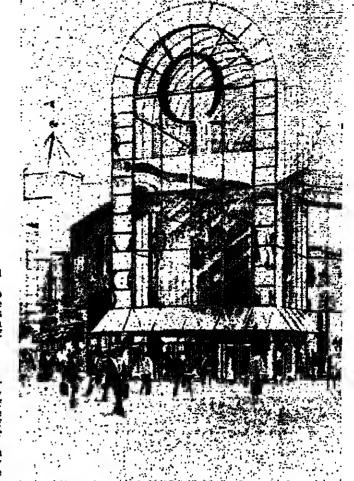
Moreover, should an anchor

the development is completed, rising prosperity and a greater inflow of shoppers from outside Cardiff would more than compensate for the increased com-petition. The outcome of the inouiry is awaited with con-siderable interest.

Fierca local authority resist-



Up for sale: Cwmbran's distinctive shopping centre.



Artist's impression of part of the £33m proposed Queensgate development in Cardiff by Guardian Royal Exchange, now the subject of a planning inquiry.

ance is not generally proving to be a problem when it comes to superstore development. Construction is continuing apace, despite the fact that Wales already has a far higher density of superstores per head of population than the UK average.

The Co-operative Retail Society's (CRS) Leo subsidiary, with 13 superstores in Wales

with 13 superstores in Wales already, is building three more at Ammanford, Cardigan and Cross Hands and seeking to build another two at Barry and Newport and with 10 per cent of its turnover earmarked for

of its turnover earmarked for new developments it is on the lookout for fresh sites.

Tesco, with nine Welsh superstores, is also expanding, in some instances by the extension of existing stores. In one instance, however, it has run into opposition. This is on plans for a major new store on Cardiff's western outskirts, at Culverhouse Cross, However it is going to appeal.

North West Cardiff, from BAT's International subsidiary.

All these retail investments, however, promise to be dwarfed by Wales' biggest ever retail deal—the impending sale of Cwmbran's shopping centre.

Extending to nearly 300,000 sq ft of offices and parking for over 3,000 cars and counting going to appeal.

HALLE

NO sq. 11.

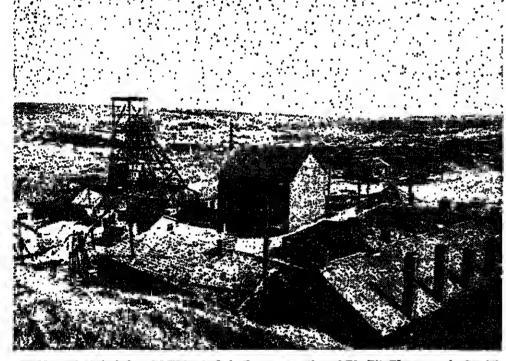
GI

Five superstores

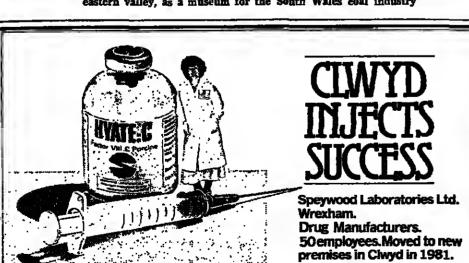
Last but not least, Asda has also decided to add to its five superstores in Wales by taking over an approval at Coryton, North West Cardiff, from BAT's International subsidiary.

western outskirts, at Culverhouse Cross. However it is
going to appeal.

The significant newcomer to
the Welsh superstore scene is
Sainsbury which is expanding
westwards after years of limiting its presence to Cymbran.
One Sainsbury superstore has Rowden are the agents.



Notable projects in industrial Wales include the conservation of Big Pit, Blaenavon, in Gwent's eastern valley, as a museum for the South Wales coal industry



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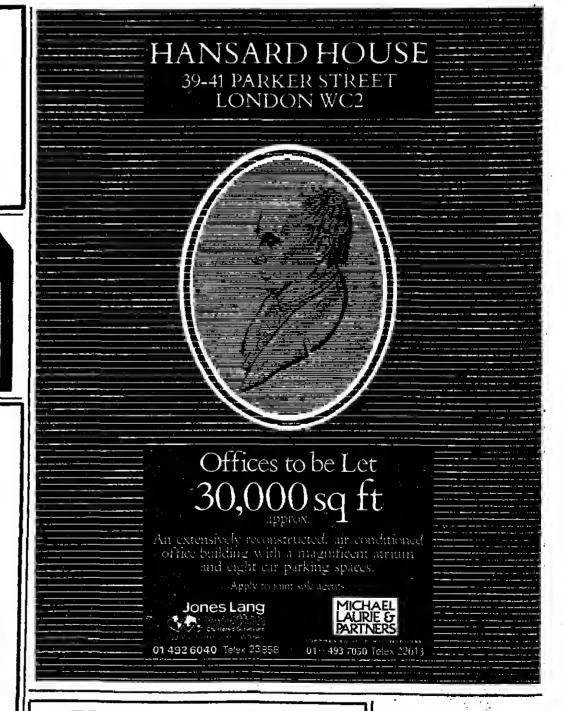
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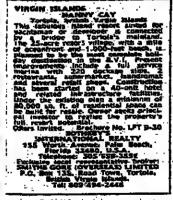
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We hereby give notice that, in accordance with the terms of the above-mentioned loan, Bonds for the principal amount of USS 2,156,000 have been drawn on January 23, 1984 for redemption at par on March 1, 1984.

Principal amount of Bonds purchased by the Company: US\$ 844,000.

The tollowing Bonds have been drawn and may be presented to Kredielbank S.A. Luxembourgeoise, 43. Boulevard Royal, Luxembourg or to other Paying Agents named on the Bonds:

21472 21474 21573 21664 21788

Luxembourg, February 10, 1984

Principal Paying Agent **KREDIETBANK** S.A. LUXEMBOURGEOISE

Chairman expresses confidence in prospects and crowning two years of rapid growth . . .

Imps accelerates to over £195m and increases dividend

Group during the second half of the year to October 31 1983, was double that of the first six months and the directors say pre-tax results for the first quarter of the current year are satis-factorily ahead of the corresponding period.

Boosted by a £16.4m reduction io interest, less associates and investment income, the pre-tax result of this tobacco, brewing and foods concern for 1983 showed a 27 per cent expansion at £195.3m (£154.3m), with the first balf increasing by £13.3m to £79.1m and the second by £27.7m to £116.2m.

Mr Geoffrey Kent, chairman, said yesterday be did not expect dramatic growth for 1984 hut was hoping for a "significant ingresse". The sort of improvement seen

in the last two years was perhaps higher than could he sustained regularly, he stated. regularly, he stated.

Pre-tax earnings per 25p share for the year under review are 27p (21.4p) and after tax 15p (16.4p). On those the final dividend is atepped up to 5.05p (4.5p), lifting the total payment from 7.25p to 7.8p net at a cost of 156.4m (152.2).

On turnover 7 per cent bigher at £44hn in respect of continuing businesses, group operating profits rose 19 per cent to £215.5m. The tohacco division showed a 15 per cent gain to £006.5m at the operating level. 196.6m at the operating level, reflecting a "satisfactory" sales performance backed by improved

Also, fo rthe first time in many remained ateady. A more cost efficient brewing and leisure division achieved a 22 per cent advance to operating

profits of £71.6m, despite a static beer market, while the group's food side made further substantial progress with a 19 per cent rise from £23.3m to £27.7m on a 6 per cent increase

| Five-year s | ниппету с Ем 1979 | if Imperial Em 1980 | eccounts Em 1981 | £m 1922 | £m 198 |
|---|-------------------------|---------------------------|------------------------|----------------|--------------|
| Tumover* | 2,951,4 | 3,215.2 | 3,771.3 | 4,097.7 | 4,381. |
| perating profit | 138.7 | 148.5 | 180.1 | 1a1.S | 215 |
| Imperial Tobacco | 82,4 | 85.5 | 68.7 | 84.0 | 96. |
| Imperial Stewing & Laisure | 37.7 | 40.8 | 50.4 | 58.5 | 71. |
| Imperial Foods | 19,7 | 18.1 | 20.8 | 23.3 | 27. |
| Heward Johnson Company | - | 11.5 | 20.5 | 15.6 | 1a. |
| Other activities | 1.1+ | 5.4t | O.3† | 0.5 | Q. |
| Companies sold | 4.4 | ‡7.2 | ‡12. \$ | 9.3 | - |
| nlercal peyable ee | 0.8 | 14.4 | 41.2 | 36.9 | 20. |
| rofit before taxallon | 142.3 | 126.a | 106.0 | 154.3 | 195. |
| let profittt | 128.5 | 80.a | S1.4 | 11 2. 2 | 130. |
| straordinary credits | 115.3 | 13,3 | ‡34.9 | \$66.A | ‡49 . |
| Dividands | 51.4 | 51.8 | 51.2 | 52.2 | 56. |
| otal capital amployed | 1.220.3 | 1,322.4 | 1,084.S | 1,107.1 | 1,126 |
| hareholders' net easets | 786.4 | 737.1 | 796.0 | 824.1 | 886 |
| korrowings | <u> 431_S</u> | 582.5 | 286.6 | 281_1 | 237 |
| ley statistics nicresi cover—times | 4.2 | 3.3 | 2.5 | 4.4 | 7 |
| omings per shars: before taxation | 20.0p | 17.7p | 14.8p | 21.40 | 27.0 |
| ster taxellon | 18.16 | 11.3p | 12.6p | 18.40 | 12.0 |
| ividend per share | 7.25p | 7.250 | 7.25p | 7.25p | 7.80 |
| ividend cover—times | 2.5 | 1.8 | 1.8 | 2.3 | 7 2 |
| orrowings sa % | | 1.0 | 7-0 | 2.4 | _ |
| ol net assets | 54.8% | 79.0% | 36.0% | 34.1% | 26.8 |
| leturn on: | | 3- 10 | | • | |
| Sharsholders' nat essets | 1S.1% | 17.2% | 13.3% | 12.7% | 22.09 |
| Capital amployed | 14.8% | 13.8% | 12.0% | 12.0% | 19.8 |
| "Excluding companies sold. Ind investment income. ††Afte | | | | of associate | profi |

Translated into aterling, the operating outcome at Howard Johnson, the U.S. subsidiary, finished 24 per cant higher at £19.4m (£15.6m). This represents a 9 per cent growth rate in dollar terms and in a statement with the results Mr Kent ment with the results Mr Kent explains that the improvement came principally from continued expansion of the Ground Round

The strong recovery in the U.S. economy has not yet been reflected in Howard Johnson's other activities, particularly its botels and lodges, but it is not unusual for the hospitality industry to lag behind in a recovery cycle, adds Mr Kent.

The fall in group interest charges (less associates and investment income) from £36.9m to £20.5m was due to lower borrowings following the disposal of certain husinesses in 1982 (offset by their profits in that year), reduced interest rates and enhanced cash flow from con-

group maans that consistent Drofit improvement does not depend mainly, or even primarily, on cost cutting, important though that is to create the right base. Directors are now continually examining sectors in each divi-sloo where there is potential for auccessful expansion.

Howard Johnson's performance during 1983 particularly displays

the relevance of this approach. Its strength is in the mid-price sector of the U.5. accommodation and resturant markets. The task over the last two years has been to rebuild consumer confidence in Johnson, after a decline during the 1970s.

Investment is being put into Improving the quality of food, furnishings, buildings and service, while experimenting with

dence for the future, be states.

The development of manage-

new restaurant concepts, some already showing much promise. There is aignificant acope for growth in the U.S. restaurant and hotels industries, says Mr Kent, and this strategy is ex-pected to produce steadily im-proving returns from the group's interests in them

He reports that Imperial Brew-ing Leisure has been engaged in a radical change of organisation. The new structure aepar-otes production and wholesaling, under Courage, from retailing, under Imperial Leisure and

In the second of these sectors, the group bas heen investing heavily in its pubs and a number of new restaurant concepts bave been introduced. There are also plans to expand the Hanny Eater roadside restaurant chain and, with two major divisions now engaged in similar leisure activi-ties in the UK and U.5. Mr Kent says benefits which come from sbaring experience and ideas will belp the group greatly. Within Imperial Foods, the

Turnover
Cost of sales
Gross profit
Ostrib, costs
Admin, cogenses
Other operating inc.
Rigorating profit
Companies sold
Share of assoc. Investment income ... Profit before tax

Young's frozen and chilled foods husinesses, both of which are in nisinesses, notify which are in atrone growth sectors.

Rationalisation in this case, says Mr Kent, is not only cost-effective, but will also provide a more comprehensive service to retailers and customers. The division is exploring development connectioning the ment opportunitles in the industry at an accelerating pace,

he adds.

He describes the performance of Imperial Tohacco during 1983 as showing how successfully a halance bas been achieved between profits and maintenance. of market share. The group is well positioned to continue to make "good profits" from its stake in the tobacco industry, be

be adds

In addition to these areas of organic growth, expansion of the group's existing interests may come from acquisitions. Here again, the financial and strategic capability formed in recent years will ensure assets.

Imperial will only proceed if companies to be purchased CCA pre-tax profits up by 38 per measure up to rigorous performance standards

A current cost statement ahows CCA pre-tax profits up by 38 per cent from £101m to £139m.

At the next annual meeting, to

focus on growth has led to the establishment of a joint organistion to run the Ross and earnings and contribute to a considered. These could in time he a valuable source of future

gradual shift in the group's interests from mature growth

industries. Concluding his statement, Mr Kent says be is confident that, with the actions and results of the last two years providing a new base, the group is well on course for continuing profits

growth.

The balance sheet at the end of October last shows shareholders' net assets of £886.5m (£824.1m) and borrowings of £237.9m (£281.1m). This repre-sents gearing of 26.8 (34.1) per £209.6m horrowings.

represented loans repayable in five years or more. If overdrafts etc are act against cash, there was a positive cash position. This has not traditionally been This has not traditionally been the group's position, nor indeed was it the position throughnut 1983, although short-term funds were deposited at various times. Year-end horrowings are substantially lower than average horrowings, the result of due dates for settlement of certain major payments primarily divimajor paymenta, primarily dividends and various types of tax.
Fixed assets totalled £970.9m (£948.9m) and net current assets

The main feature of current assets was an increase in cash at bank from £23m to £128m. This resulted from higher profits which led to a strong improvement in cash flow of £40.6m, together with more effective use of working capital culminating in a net reduction from that source of £66.2m which reflected the group's conlinuing determination to minimise the level of its net investments in current

Limited investments in venbe held at the Hotel Intertures in the early stages of Continental, W, on March 22 at
development are also being noon, sbareholders will be asked employee's share option scheme

Lonrho soars £38m to £113m and expects advance to continue

up to £113.2m for the year to end-September 1983. This was an advance of over 50 per cent on the £75.1m reported for the previous year and compares with a forecast of over £100m made at mld-year.

at mid-year.

The improvement in profitbility was widespread, but was
particularly apparent in the UK
where group companies raised
profits by over 78 per cent and
were a major contributor to the
overall result.

Mr Roland "Tiny" Rowland,
this executive says overall

chief executive, says overall thera are adequate reasons in the current year's first quarter figures for bim to feel that 1984 will continue an upward trend. He tells sharebolders that all nperations, including those in the UK, are expected to continue to increase in prosperity during the year.

Earnings for the year under review rose by 7.9p to 15.5p per 25p share but a final dividend of 6p (5p) bolds the net total at 9p. However, in view of the en-banced prospects for the group a special interim dividend of 1p has been declared for the current year. It is expected that a second interim dividend will be declared

n July/August. Mr Rowland points out that considerable management effort has gone into increasing effi-clency throughout the group, which has included a programme white has included a programme of strategic asset disposals. He reveals that the group balance sheet remains strong with gross assets of nearly £1.9bn, including cash balances at year-

ead atending at £109m. Group turnover for 1982-83 expanded by £20.3m to £2.36bn. Lourho's interests include Lourho's interests include mining and refining, agriculture, botels, wines and spirits, taxtiles, printing and publishing and engineering.

The 1982 turnover figure has

been restated to exclude the turnover of the associates in accordance with SSAP 1. The

Lonrho, the international trading group's share of turnover of group, pushed its pre-tax profits associates for the past year totalled f694.1m, compared with f672.8m in 1982. The group's share of associates' profits rose from £20.6m tn £33m.

Tax for the year accounted for £55.7m (£35.7m) and minorities £16.9m (£16.4m).

Attributable profits cmerged 103 per cent higher at £40.6m (£20m) before deducting sameagain extraordinary items

Mr Rowland says the group's traditional activities of agriculturn and mining performed very well reflecting not only improved commodity prices but reduced operating costs and, in most areas, increased production.

The hotels and certified divisions The botels and casino divisions showed good growth and both have been expanded through the opening of the New Marquessa Tower at the Acapulco Princess in Mexico and two new casinos— one in Londou and the Princess Casino in the Bahamas.

Capital expenditure this year has been restricted to the minimum necessary to maintain the group's assets at their highest nperating efficiency. The group has not undertaken any large, long-term projects.

Mr Rowland informs shareholders that the group also benefited from a substantial increase in House of Fraser's profits—the group has a 29.99 per cent sharebolding in Frascr. In the textile sector, more favourable trading conditions in the second six months resulted in a marked improvement in results. This trend has con-tinued into the current year and with increasing demands on manufacturing capacity the group expects a continuing im-

At the six months' stage group pre-tax profits had risen from a restated £37.8m to £43.4m. The Lourho group, including its associated companies, employs over 150,000 people.

Section 1 Section 5

Greenall Whitley profit ahead

Greenall Whitley for the first three months of the financial

the Warrington-based group — the biggest independent brewery in the UK — would succeed in expanding its business this year, if there were no economic set-back and if Budget duty increases did not exceed the rate As already reported, to the 12

pre-tax profits of the group — which has subsidiaries involved year were abead of the corresponding period, Mr Christopher Hatton, chairman, told shareholders at the annual meeting.

The board was confident that (£258,61m).

The current year's figures, said Mr Hatton, showed a marked reduction in the decline in beer sales. The company was invest-ing heavily in pubs and expand-ing free trada sales outside the north-west. Lager sales showed "a bealthy increase." The company was test market-

planning a similar trial for its

sold produced an operating profit of £9.8m in the previous

After tax of £65m (£35.5m)

and minority debits of £0.2m (£0.3m) profits of £130.1m

(£11g.2m) were subject to extra-ordinary charges of £49.7m (£66.8m). These consisted almost

entirely of provisions for re-organisation and closure costs,

They left the attributable balance ahead from £51.4m to £80.4m and, following dividend payments, £24m (£0.8m loss) was

In his statement Mr Kent points out that during the two years to October 31 1983 group pre-tax profits have risen by 84

per cent and the return on share-

per cent and the return on share-bolders' net assets by 65 per cent. The preparatory work of the past two years and the group's greater capability to momitor progress and assess new oppor-tunities, give him added confi-

spread among all divisions.

retained

Mr Hatton said it had taken time to reorganise thoroughly the Arrowsmith tour operator business which, in its first full year of trading since acquisition, had made a loss of £1.1m in the 12 months to September 30.

He added that the reservation system had been computerised and, with a sales office opened in Manchester, boliday bookings for the summer showed a satisfac-tory increase over the corres-ponding period.

Second half upturn at SAI

The company, a 62.4 per cent owned subsidiary of ICI, is a manufacturer of fertilisers, composts, animal feeds and a processor of farm seeds and peat. Turnover for the year advanced from £114.32m to £126.38m. Struck after distribution costs of £8.71m (£8.5m) and selling and administration costs of £7.77m (£7.48m), trading profits emerged at £5.98m, com-

pared with £4.87m.

The taxable result included interest receivable of £381,000 (£332,000) but was after interest payable of £341,000 (£470,000). At the interim stage pre-tax profits were static at £1.8m on turnover of £52.5m (£48.6m).

AN ADVANCE of £1.29m to £6.02m in taxable profits was of a bigher tax provision of achieved by 5cottish Agricuitural Industries in the 12 months to December 31 1983.

However, after a combination of a bigher tax provision of £1.65m (£1.76ml and a special depreciation charge of £460,000 attributable profits were little attributable profits were little higher than the previous year. Below the line, minorities added £7,000 (nil l. Extraordinary Items this time absorbed £215,000 (credit £178,000), being profit on sales of surplus assets but including the special depreciation charge in respect of the Carrick Feed Mill which is due to close this year.

in raw material cao be passed on to the consumer. Last year proved to be a little better than the chairman anticipated at the beginning of the year and the pre-tax profit at £6.02m comfort ably met market expectations. The company's drive to bring down its debtors resulted in £2m of cash in the bank by the end of the year. SAI expects to continue its involvement in oil related activities now that its joint pipe cleaning venture is well

DIVIDENDS ANNOUNCED Data Corre- Total Total

| • | attributable profits were little | proved to be a little better than | c | arrent | of sp | onding | for | last | |
|---|-------------------------------------|-------------------------------------|--------------------------------------|---------|---|------------|--------------|------------|--|
| ٠ | higher than the previous year. | | g) c | | | | year | year | |
| • | Below the line, minorities | | Anglo-American Secs | 3.85 | April 13 | 3.6 | 5.35 | 5.1 | |
| - | added £7,000 (nil l. Extraordinary | | Bank Lenmi | 7 | | 7_ | 10.15 | 10.15 | |
| | Items this time absorbed £215,000 | | Dale Electric int. | 1.5 | April 9 | 1.2 | _ | 4 | |
| | (credit £178,000), being profit on | | Ewart New Nthm int. | 1 | | ĭ | - 05 | 4 | |
| - | sales of surplus assets but | of cash in the bank by the end | Goode Durrant | 1.25 | March 27 | | 1.25 | Ī | |
| ò | including the special deprecia- | of the year. SAI expects to con- | Imperial Group | | | 4.5 | 7.8 | 7.25 | |
| | tion charge in respect of the | | London Shop int. | | April 30 | 1.5 | _ | 5.75 | |
| 1 | Carrick Feed Mill which is due | lated activities now that its joint | Lonrho | ž. | April 5 | 5 | 9 | 29 | |
| 5 | to close this year. | pipe clesning venture is well | Lourhol spec. int. | | April 5 | 7 00 | 0.00 | B 10 | |
| Z | The final divideod is being | established. The phasing out of | Plastic Construction | | America 12 | 1.33 | 2.35 | 2.17 | |
| - | lifted from 10.75p to 12p for a | animal feed production at Car- | Scot. Agricultural | | April 5 | 10.75 | 18.5 3.75 | 16.5 | |
| | higher total of 18.5p (16.5p). | rick Feed Mill will complete | Tribune Invest. | | April 9 | 2.6 1.5 | 3.73 | 3.4 6.5 | |
| l | comment | SAI's major rationalisation plans | William Ransom int. Yeoman Invest | | _ = ' | 4.75 | 7.7 | 7.25 | |
|) | | without a significant effect on | Dividends shown pence pe | e cham | | | | | |
| t | Over balf of Scottish Agricul- | the company's turnover. The | *Equivalent after | llowing | for corin | March C | + On | canital | |
| | tural industries business is in the | | increased by rights an | d/or a | consisting | IgenAg | # 1757 | d ctork | |
| | manufacture of fertilisers where | | g Unquoted stock. I To re | | | | | | |
| | volume tends to be fairly steady | | of enhanced current year | | | - Sandani | 10001111 | III VICH | |
| | and profits dependent on the ex- | 12 per cent at 18.5p. | or canada curione year | . P-03p | ~ | | | | |
| | | | | | | | | | |

Who Is Britain's LEADING OVERSEAS HEALTHCARE GROUP?

United Medical Enterprises (UME) has a major stake in the expanding world healthcare services market. It provides hospital management, personnel recruitment, development of healthcare computer systems and procurement of supplies and services worldwide.

UME is just one well known name in the London and Northern Group which includes others equally prominent in their fields such as Pauling, established in civil engineering for over 100 years; Blackwell/ Tractor Shovels, the leading UK heavy earthmoving operators; <u>Edenhall</u>, the UK's biggest producer of concrete facing bricks;

Weatherseal Windows, pioneers and innovators in domestic double glazing; Steel Stockholders of Mossend, Lanarkshire, the largest steel profiler in the UK and possibly Europe and McMillan Offshore (<u>Scotland</u>), major supplier of labour to the UK oil industry.

Send for the latest Report and Accounts to find out more about London and Northern, a Group with £226m turnover in 1982, which has increased or maintained its dividend for eighteen years – every year but one since going public in 1963. London and Northern Group PLC Essex Hall, Essex Street London WC2R 3JD. Tel: 01-836 9261

Venture Link Limited

Has arranged a Private Placing of Shares for £1,849,795

Fibre Optic Recognition Ltd.

Oberon International

LONDON and DALLAS

Water Authorities Superannuation Fund The Ailsa Investment Trust PLC RIT & Northern PLC Guardian Royal Exchange Assurance plc

F & C Enterprise Trust PLC The Cardinal Investment Trust PLC General Investors and Trustees PLC Sharjah Investment Co. (UK) Ltd

and others



For details phone 01-409 3434 Ext 484 **PERSONAL**

FINANCIAL PLANNING

It is proposed to publish a survey on the above subject on Saturday, 28th April, 1984 For further details and advertising rates, please contact: NIGEL PULLMAN. FINANCIAL TIMES LTD.
Bracken House,
10 Cannon Street,

London ECAP 4BY Telephone: 01-248 8000, ext 4063

LADBROKE INDEX Based on FT Index 796-800 (-1) Tel: 01-493 5261



Cable and Wireless pic Ordinary Shares of 50p each

Offer for Sale by Tender by the Bank of England on behalf of H.M. Government in conjunction with

Kleinwort, Benson Limited Final Instalment Due 17th February 1984

The Bank of England wishes to remind holders of The Bank of England wishes to remind holders of Letters of Acceptance that the final instalment of 175p per Share MUST BE PAID BY 3.00 P.M. ON 17TH FEBRUARY 1984. Cheques for the amounts due, made payable to the Bank of England and crossed "Not Negotiable—C & W Shares", must be forwarded, with the LETTERS OF ACCEPTANCE, TO THE APPROPRIATE RECEIVING BANKER WHOSE NAME AND ADDRESS APPEARS IN THE BOX ON THE RIGHT-HAND SIDE OF PAGE 1 OF LETTERS OF ACCEPTANCE.

Registration of Renunciation Hegistration of Henunciation
The attention of holders of renounced Letters of Acceptance, i.e., those with Form X completed or marked "Original duly renounced", is drawn to instruction 5 on page 3 of the Letter and to the fact that the failure to register renunciation by 2nd March will result in the registration of the shares in the name of the original allottee who will receive the interim dividend payable on 31st March.

London and N Construction, Healthcare — and much more besides

We are pleased to announce the following appointments:

Richard M. Furber

Vice-President and Branch Manager

Benjamin E. Bensinger III Vice-President, Investments

in the Equity Sales Office London

Dean Witter Reynolds

56 Leadenhall Street London EC3A 2BH

Tel: 01-481 4242 Telex: 8956201 DWROLG

Granville & Co. Limited Member of NASDIM

27/28 Lovat Lane London EC3R 8EB

Over-the-Counter Market
 1983-84
 High Low
 Company
 Price

 142
 120
 Ass. 8 fit. Ind. Ord.
 125

 158
 117
 Ass. 8 fit. Ind. Cutl.
 139

 78
 62
 Airsprang Group
 74

 38
 21
 Armitage & Rhode
 28

 312
 1412
 2ardon Hill
 312

 56
 53
 8 ray Technologies
 56

 200
 197
 CCL Ordinery
 197

 151
 121
 CCL 11pc Conv. Pref.
 147

 330
 100
 Carboundum Abresives
 330

 249
 100
 Cindico Gtoup
 103

 63
 45
 Oeborah Services
 51

 198
 75
 Frank Horsell Pl Ord 87
 185

 69
 36
 Frederick Perker
 36

 33
 32
 George alair
 33

 34
 19is Conv. Pref.
 244

 121
 61
 Jackson Group
 118

 122
 340
 James Butrough
 240



Goode Durrant & Murray

Group plc

Chairman Lionel Robinson reports on the results to 31st October, 1983

| | 1933 | 1982 |
|-------------------------------|-------------|-------------|
| Turnover | £64,521,000 | £61,487,000 |
| Profit before tax | £ 2,623,000 | £ 2,767,000 |
| Earnings per share | 6.1p | 7.6 |
| Dividend | 1.25p | 1 p |
| Net assets per ordinary share | 57.6p | 51.1p |
| Shareholders' funds | £14,338,000 | £12,788,000 |
| | | |

NOUNCED

ireless pl

., ₁₈₅ (10):1823

The overall results of Lonrho show a bealthy rise of 103% in both profit attributable to sbareholders and earnings per share; this is the highest increase for seventeen years.

Lonrho has achieved an enormous amount this year which is reflected, not only in a substantial increase in profitability, but also in the Group balance sheet which remains strong with gross assets approaching £1.9 billion, including cash balances at the year end standing at £109 million.
Total net borrowings, excluding those relating to our confirming businesses, have remained at 30% of gross assets which is the same as last year.

A great deal of management effort has gone into increasing efficiency thronghout the Group; these efforts have included the disposal of loss making and low yielding operations such as Hadfields, the Sir Francis Drake Hotel, and the Sunday Standard Newspaper in Glasgow.

I am glad to tell you that our United Kingdom based companies raised profits by over 78% in 1983, and were a major contributor to the overall rise. This improvement has been shared by nearly all trading activities within the United Kingdom and is not limited to a few. Every indication is that our United Kingdom companies will continue to increase in prosperity.

Our traditional activities of agriculture and mining bave performed very well this year, which is not only attributable to improved commodity prices, but is also as a result of reduced operating costs and, in most areas, increased production.

The hotel and casino divisions are showing good growth within Lonrho. and these divisions have been expanded through the opening of the new Marquessa Tower at the Acapulco Princess in Mexico and the opening of two new casinos, one in London and the Princess Casino in the Bahamas.

Capital expenditure this year bas been restricted to the minimum necessary to maintain our assets at their bighest operating efficiency, and we bave not undertaken any large long

term projects. We also benefit OBSERVER from a substantial increase io House of Fraser's profits and price. Lonrbo's holding in House of Fraser and the contribution and stimulus provided to the management

The Observer of the company by our Directors has undoubtedly assisted in this improvement. The House of Fraser share price continues to reflect the general belief, by shareholders, that the demerger of Harrods is desirable.

The 180 mile pipeline between Belra and Mulare is fully restored and has been pumping fuel to Zimbabwe steadily throughout the year without

interruption.
The Lonrho Group, including our associated companies, now employs over 150,000 people.

I know you will want to join all your appreciation for all the hard work and initiative contributed by those wbo work for Lonrho both in the United Kingdom and overseas and who have made this year so successful with their support. We have adequate reasons in the first quarter's figures to feel that 1984 will continue an upward trend for the Company as a whole.

MINING AND REFINING

'Improved precious metal prices prevailed over the year, which also saw platinum carry a premium over gold. Moreover, we again raised our platinum group metal output to 180,000 ounces for the year and are now producing some 50% more than two years ago. Group

gold production was well maintained at the 400,000 ounce per year level. Glass lined reactor



we operate mines have so far cushioned any adverse effect. Additional refining facilities are being planned for our platinum operations designed to release the large sums which are now locked up for long periods in unrefined inventories. At the same time these changes will save

operating costs and improve metal recoveries. Good progress has been made with the development of Eastern Gold Holdings, the major new Anglo American Corporation administered mine, which is planned to produce 400,000 ounces of gold annually at full production. Our subsidiary continues to hold its 36% -

interest in this venture. We are also planning the expansion of operations at the Ashanti Gold Minc in Ghana using loans from a consortium led by the International Finance Corporation.

Revenue from bituminous coal and anthracite mining was only. slightly down in spite of a sharp reduction of sales, in line with the present weakness of coal markets. Capital expenditure at the coal mines was substantially below the level of recent years.

Shamva goldmine, Zimbabwe

66Lonrho's attributable profit is up 103% in 1983"

AN UPWARD TREND WILL CONTINUE IN 1984 RWRowland, Chief Executive

AGRICULTURE

Lonrho and its subsidiaries are Africa's largest commercial food producers, ranching 100,000 head of cattle and farming 1.5 million acres throughout the continent. The Group has also put more land under cultivation in Africa than any other company in the world.



Mauritius: South Africa and Swaziland returned to overall profitability during the year and increased production to over 420,000

In Zambia, our farming company, Kalangwa Estates, remains one of the largest producers of agricultural goods in the country, with products such as pork, beef, eggs, onions, wheat, maize and potatoes. During the year dairy farming was also introduced, which has proved to be immensely successful.

The drought in Zimbabwe had little effect on the profitability of our agricultural activities. With livestock being in good condition and high average weights being achieved, profits from the sale of 14,500 head of cattle were good. Profit from The Waitle Company, which produces coffee, wattle extract and timber, were also substantially bigher, due to better management controls and good coffee prices. We are the largest coffee producers in Zimbabwe.

In Malaŵi our lea estales produced a record crop of 4.8 million kilogrammes. A combination of good rainfall distribution, improved field practices and management skills produced some yields which are probably the highest in Malawi. The combination of high tea prices and production has resulted in profits being substantially up. We also grow tobacco, coffee and macadamia nuts in that country.

Our wattle extract company in Kenya, which also grows mushrooms, oil seed, wheat and maize and ranches cattle, maintained its reputation for high yields and good quality produce and continues to be a major exporter.

HOTELS



Group in their first full year as wholly owned subsidiaries continued to record profits. In October 1982 the new 320 room Marquessa

Tower at the Acapulco Princess was opened, complementing the existing hotel which is a masterpiece of creative architecture. This luxury hotel complex, which is set in over 200 acres, has proved an extremely popular tourist and conference centre, maintaining high levels of occupancy.

In September it was announced that the Group had acquired a casino in Freeport in the Bahamas. It is intended to renovate completely the casino complex, which will form part of the existing Princess hotel facilities, in order to establish it as one of the finest casinos in the Caribbean.

The Princess Hotel Group now have more hotel rooms in the locations at which they operate than any of their competitors.



In the United Kingdom the Metropole Hotel Group held a record ,050 conferences and exhibitions in 1983. The new Pembroke in Biackpool, in its first full year of operation, has proved a success with 150 conferences and exhibitions being held there. The Pembroke has also achieved a room occupancy level of 70% and is fully booked over the next two years for periods when party political conferences are held in Blackpool.

In Birmingham 575 conferences were staged and for this coming year the signs are that we will accommodate

many more. The London Metropole was busy Improvements to the hotel's facilities this year will yield results in 1984. In the Casino division the most exciting event of the year was the opening of a new casino in London. This luxurious casino has made a very good start. Lonrho operate 8 other

casinos in the United Kingdom. WINES AND SPIRITS

Whyte & Mackay

Whyte & Mackay Distillers had another satisfactory year. Although the United Kingdom industry as a whole continued 10 operate in highly competitive conditions, Whyte & Mackay maintained its dominant position in Scotland and increased its distribution throughout England. Although export markets were generally

manufacture of knitted fabrics for use in both industrial and leisurewear products. Besco Baron successfully completed a modernisation programme at its mill in Rochdale.

Our textile companies in Africa had a mixed year. In Malawi, David Whitehead achieved good results while completing ahead of schedule the installation of Malawi's only cotton/ polyester cloth manufacturing plant. The newly equipped Blantyre Neiting Company exceeded all our expectations and is working at full production to meet local and export demand for polyester bags, nets and twine. David Whitehead in Zimbabwe had a difficult year with demand severely restricted. Following reorganisation the company is now better placed to react to changes in local demand.

PRINTING AND **PUBLISHING**

In the year under review the Glasgow Herald's entry into its third century of continuous publication was Majesty The Queen.



YEAR AT A GLANCE

| | 1983 | 1982 |
|-------------------------------------|----------|----------|
| Turnover | £2356.5m | £2336.2m |
| Profit before taxation | £113.2m | £75.1m |
| Profit attributable to shareholders | £40,6m | £20.0m |
| Earnings per share | 15.5p | 7.6p |
| | | |

The seventy-fifth Annual General Meeting of Lonrho Plc will be held at the Great Room, Grosvenor House, Park Lane, London, W.1. on Tbursday, 29tb March, 1984 at 12 noon.

£109.4m



Cash balances

especially Europe and Canada and in

many Duty Free markets. Our French wine interests, which include the famous vineyards of Châieaux Rausan-Segla, Smith-Haut-Lafitte, La Garde and De La Tour. although affected by the economic situation in France, still maintained

good profitability. tn Malawi, we opened two new breweries at Mangochi and Lilongwe bringing the total number of breweries operated in parinership with African Governmenis and Muncipalities The Group bonles

Coca Cola in Zambia and Pepsi Cola in

TEXTILES

Lonrho Textiles, the Group's integrated manufacturing and retail operation, based at Cramlington in the United Kingdom, has continued its longer term strategy of developing its retail network and own brand products such as the "Accord" range which is now amongst the market leaders. During the second half of 1983 more favourable trading conditions resulted in a marked improvement in results. This trend has continued into the current year and with increasing demands on manufacturing capacity we anticipate a continuing improvement

Strong demand throughout the year helped our Lancashire based David Whitehead textile operations achieve increased profits. The John Barnes division has developed yarn and cloth



£56.3m

Major reorganisation at George Ou ram has resulted in improvements in the Glasgow Herald, Scotland's leading national newspaper, and the Evening Times. It is encouraging to see improving performances in both

advertising and circulation in recent months. The Observer, which is the oldest Sunday newspaper in Britain,

and was voted
Newspaper of the
Year for 1982, has performed well during 1983. Our provincial newspaper group,

Scouish and The Glasgaw Herald Universal Newspapers, experienced Glasgow another difficult trading year during which the economy was still in recession The key themes of the year have been efficiency and innovation. Every week over one million readers in Scotland read a Scottish and Universal newspaper.

Throughout the year, our newspapers won national and international awards for research and community services.

Greenaway · Harrison, one of the country's leading printing houses, has had a very successful year. The programme of capital expenditure to ensure the most advanced facilities and rechniques for financial and security printing has progressed well. The extensive computer typesetting installations in this company, built up over the last few years, are unmatched by any other commercial, financial or city printer. The highly skilled design unit based in central London has won domestic and international credits and awards for its work.

The Harrison Group, postage stamp and security specialists, continued its programme of capital investment in

new product development and new areas of specialisation.

Harrison were proud to print, for the British Post Office, stamps which won two top international philatelic awards.

The educational publishing and bookselling divisions of Holmes McDougall gained important new export contracts and the reorganisation of its colour poster operations in the United States has been highly successful.

High quality label printing for the wine and spirits industry performed well and a number of major new contracts were obtained.

Holmes McDougall were awarded the publishing contract for "Crime, Law and Society" by the Home

The Group also publishes newspapers in Kenya including The Standard and Sunday Standard.

ENGINEERING

The recession in the United Kingdom continued to affect most of our engineering companies during the first half of 1983. However, there are signs that the modest recovery in the economy which began in the summer

Hadfields was acquired by a consortium beaded by the British Steel Corporation as part of the first stage of the Engineering Steels Industry Rationalisation plan, code named Phoenix 11.

Newell Dunford, the process plant engineers, is the leader in the field of waste disposal technology, manufacturing plants which convert household waste into low cost fuels, thereby reducing energy costs and resolving the environmental problems associated with the traditional methods of waste disposal.

Lightfoot Refrigeration has enjoyed another successful year and has completed a number of large overseas

Our furniture companies maiotained progress in a difficult market and Sheer Pride, the metal office furniture manufacturer, successfully launched a new range of filing cabinets which are fast becoming market leaders.



Buses built by W. Dahmer & Co., Zimbabwe Our land renewal company, Sportworks, won the Grand Award of the British Association of Landscape contribution to environmental improvements for their work on the Calton Church Precinct in Glasgow. They also gained the principal award for the first major park to have been created in Glasgow since the Second World War. Overseas, our Belgian subsidiary

S.E.E., which is producing water treatment plants for Nigeria, Cameroon and North Africa, is progressing satisfactorily and prospects for further major orders are

In Zimbabwe, Dahmers maintained their dominance in the local truck and bus market, with sales of 424 units. Progress is being made in obtaining export markets for their vehicles, which are designed locally and are

excellent for use throughout Africa. In addition, Vitretex Paints, our paint manufacturing company in Zambia, had a record year.

MOTOR DISTRIBUTION

V.A.G (United Kingdom) the sole U.K. importer for Audi and Volkswagen products has improved its unit sales performance every year since its acquisition in 1975 and has once again achieved record sales and profits.

Total vehicle sales of 110,000 units ensured that V.A.G has maintained its position as the leading importer of European cars. The 1983 Car of the Year Audi 100 has quickly established itself in the market and has now been joined by a sporty estate version, the Avant. During 1984 the company will launch a most significant new model which will be a replacement for the best selling Volkswagen Golf.

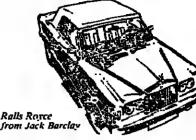
The Group is also the sole importer of Volkswagen and M.A.N. trucks and buses into the United Kingdom. The Dutlon-Forshaw Molor Group, whose principal activity is the distribution of BL vehicles,



Massey Ferguson combine harvester in East African Tanning Extract Co.'s wheatfields, Kenya

substantially improved its performance in 1983. Rationalisation of their depot network continued and, allowing for closures, they maintained just under 6% of sales of BL's products, with sales of over 31,000 vehicles. The Dution-Forshaw Group also increased its share of the national Jaguar sales in the U.K. by 24% compared with the national increase of 10%.

Throughoul the year Jack Barclay retained their position as the number one distributor of Rolls Royce cars, accounting for 22% of United Kingdom sales. The extensive service facilities at Battersea performed well under their new senior management.



The sale of agricultural machinery increased considerably during the year particularly Deutz tractors, and Fahr combine harvesters. Distribution and

service facilities were expanded. Western Machinery had an outstanding year. The sale of Taarup and Welgar agricultural equipment was again highly satisfactory.

In Africa our moter vehicles and agricultural machinery distributors performed well. We are Africa's largest and most widespread motor distributor, holding nearly every major franchise including Mercedes Benz, Land Rover, Toyola, Peugeot and General Motors in one country or another. In Nigeria we have successfully established a vehicle leasing operation and a number of substantial contracts have been concluded with large fleet users.

KUHNE AND NAGEL

The Kühne and Nagel Group of companies, with 300 offices all over the world, continued to run its shipping, forwarding and warehousing business successfully. In Germany the company has extended its freight terminals in three cities and introduced a nationwide parcel service system, whilst warehousing in North America was extended by the acquisition of a warehouse in Chicago.



Kühne & Nagel terminal facilities, Rotterdam Transport connected activities such as ship brokerage, crating, port handling and travel have been further developed and a subsidiary of Kühne and Nagel has been entrusted with the formation of a national shipping line

PROPERTY, EXPORT CONFIRMING, FINANCE AND AIRCRAFT

for a major African country.

London City & Westeliff Properties and A.V.P. Properties, our properly investment companies, have had another successful year. Together with Lonrho, these companies own a diverse portfolio of commercial. residential and industrial properties in England and France. During the year the Group has realised certain low yielding industrial properties, leaving it with a well balanced portfolio of properties which have a current value in excess of £66 million. Not withstanding these disposals, there has been an increase in the gross rental

income of the property portfolio. In October 1983 we also purchased the prestigious "45 Park Lane" site in London which will be a valuable addition to our property portfolio.

The international confirming and financing activities of Balfour Williamson continued to be adversely influenced by the deterioration of world wide tracing conditions over the past years. However, performance in 1984 is expected to show a marked improvement.

The volume of exports to West Africa being financed by John Holt was reduced in 1983 as a result of tighter controls on imports to Nigeria.

The Nigerian investment and property company J.H.I. maintained its impressive growth record and has now acquired a controlling interest in an established Lagos Finance House, the benefits from which will accrue in Our cotton broking firm, Baumann

Hinde, had a satisfactory year's trading.
Our Beechcraft franchise in Africa

recorded the best world wide divisional sales of these aircraft for 1983. The Group also holds the Lear Jet franchise in Africa. Total sales of aircraft in the year amounted to 82

During the year Tradewinds Airways continued to operate services to Africa whilst gradually converting charter services to scheduled routes. The airline has already commenced scheduled freight services to the U.S.A. and the Sudan.

The Group currently owns or leases a total of 38 aircraft including a Gulfstream and two Boeing 707's.

The text is taken from the Chief Executive's Review contained in the Report and Accounts for the year ended 30 September, 1983 which will be published in late-February. Copies will be available from The Secretary, Lonrho Plc, Cheapside House, 138 Cheapside, London, EC2V 6BL.



Dale Electric maintaining recovery

Dale Electric International has maintained its recovery through policy of more selective turn over and better control of costs

and prices.

In the first six months to October 30 1983 all group companies operated at a profit, including Ottomotores Dale, the associated company in Mexico.

Overall, group taxable profits advanced by 30 per cent in the interim period from £1.02m to £1.31m.

Dale, a manufacturer of electric generating sets, achieved a 10 per ceot advance in trading profits from £1.47m to £1.62m on a 2 per cent advance in turnover to £19.44m, against £19.08m.

"Dale Electric is making head a 2 per cept advance in turn over to £19.44m, against £19.08m.

The taxable result was further helped by a reduction in borrowings which cut interest charges by £55.000 to £350.000. The associated company profit was £37,000, compared with a loss of £37,000, compared with a loss of £35,000.

In a move to recognise the increase in profitability and a need to move towards an equalised dividend between the interim and final periods the directors are lifting the current payment by 25 per cent to 1.5p per 10p share.

Last year's 5 bal dividend was £19.39m.

Commenting on the results Mr L. H. Dale, chairman, says:

"Dale Electric is making head way despite a lack of petro this calck of petro project finance. For this reason, the benefits of a favourable sterling rate have now had a more meaningful effect."

Looking at other operations be says that Houcbin, the aerospace ground power manufacturer, bas performed particularly words of optimism must be saye that Houcbin the aerospace ground power manufacturer, bas performed particularly words of optimism must be its sales and profits targets.

He adds that "Dale Emering in Sight."

He adds that "Dale Emering fail the current profits at the corner bas been turned and that the road to recovery is well that the road to recovery is well to first the corner bas been turned and that the road to recovery is well to first the corner bas been turned and that the road to recovery is well to first the full impact of the United States recovery has not yet led to any significent increased activity in Dale East. For this reason, and the uncertainty in Nigeria, any words of optimism must be guarded. I do feel, however. Mr Dale Emering fair the uncertainty in Nigeria, any words of optimism must be that the corner bas been turned and that the road to recovery is well in sight."

Tax for the opening period 52.5m in sight."

Tax for the opening period 52.5m in sight."

Tax for the opening period 52.5m in sight."

Tax for the opening life of the full to any the

BOARD MEETINGS netional Investment Trust, Sandvik Aktiebolag, Wagen Finance, FUTURE DATES

UK COMPANY NEWS

The following companies have notified dates of goard meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are intelline or finals and the subdivisions shown below are based meinly on less year's timetable. dividends. Official indications are not available as to whether the dividends are intelline or finals and the subdivisions shown below are based mainly on less year's limited by the finals.

TODAY

Interims—

Eleco

MS International Feb 12

Visior Products Feb 27

Finals—

Crest Nicholson Feb 15

Genoral Funds Invest. Trusi Feb 14

Marchwele Feb 22

Micro Fosus Feb 22

Aliance Trust, Wiggine.

Finals: Channel Islands and Inter
Finals Finals Feb 22

Micro Fosus Feb 22

Tomplo Ber Investment Trusi Feb 20

Mar 21

"Dale Electric is making headway despite a lack of petrodollars for project finance. For this reason, the benefits of a favourable sterling rate have now had a more meaningful effect."

Looking at other operations he says that Houcbin, the aerospace ground power manufacturer, bas

Munford retracts optimistic forecast

THE DIRECTORS of USM com-The DIRECTORS of USM com-pany Munford and White have revised their profit forcest for the current year and now tell shareholders that the pre-tax result is unlikely to match that of the previous year. or Date's middle Last salesmen who has just been evacuated from Beirut after living out of a basement loo in ooe of that city's major hotels. Fortunately, the flak is less heavy over the bome market, thanks to the board in information to the board in information.

the previous year.

In the internal report (taxable profits then were £43,000 bigher at £150,000) they said they were confident that prospects for the second six months, which should reflect beoeffts of increased capacity and new products coming on stream, were very good.

pointed out that since the in-terim results were published a number of events have occurred which have led the directors to regard that statement as "over

stand by generator sets as more companies inetal computer systems. An added bonus has been a £2m order book from the Ministry of Defence to keep Fortress Falklands in light, water and heat. On current form Dalo looks good for at least £2.5m this year, against £1.9m last time. A fully-taxed prospective p/e of 9 at \$3p, down 3p, looks about right for a solid stock wbich is well positioned to take advantage of any sparks Munford and White, based in Richmond Surrey, manufactures electronic security equipment. They explain that with the in-troduction of the new product range, demand for some of the company's existing traditional products has fallen far more than anticipated.

anticipated.

The company bas experienced technical difficulties with one of its newly introduced products and, though the directors now say these bave been overcome, sales have been affected.

The directors say extra costs bave been incurred in setting up the new manufacturing faci.

up the new manufacturing faci-lities in Clevedon, Bristol, and although overheads at Richmond

although overheads at Richmond are being reduced, profits in the current year bave been "adversely affected."

Also substantial development costs for the new DIY product have been incurred which has not, as yet, contributed to profits. However, they believe that this will be a very successful product for the company—the product will be launched nationally in April. The directors remain fully confident on the longer term prospects for the company based on the new product range, the on the new product range, the DIY product and the increased

manufacturing capacity Glevedon.
The current year ends on March 30. Pre-tax profits for 1981-82 totalled £453,000.

Ergo plans £20m rights issue to finance expansion

FURTHER DETAILS have now 1m tonnes per month carbon-inemerged about the ambitious plans of South Africe's East Rand Gold and Uranlom (Ergo) to expand its treatment of old mine wastes for the recovery of gold and uranium.

Ergo, part of the Anglo
American Corporation of South

Africa group, xesterday made public proposals to raise aome RC5m (£20m) through a rights issue of convertible debentures. A special meeting to consider

The funds raised will go towards financing the estimated R209.5m capital cost of the venture. Ergo has always been taxed as a gold mining company, so that capital spending to expand output can he written off against profits for tax purposes.

This will reduce the net cost to

around R69m.

The gross amount includes R118m for the construction of a

leach recovery plant at Dagga-fontein to treat 150m tonnes of Springs area.
These dun

These dumps bave been acquired from Ergo and its partner in the venture, East Daggafontein Mines, by Dumpco, a wbolly-owned subsidiary of East Dagga. The plant is expected to be commissioned in 1986.

issue of convertible debentures. A special meeting to consider A twelfth dam, the Withok the necessary increase in Ergo's dam which holds Ergo's own authorised capital will be held in Johannesburg on Friday, acquired by Dumpco. Material from this sourca will be ireated in the late 1990s when spare capacity becomes available et an article problem is being bull at extension which is being built at the Ergo plant.

This extension should be com-

missioned early next year at a cost of R60m.

In order to preserve the integrity of the material in the Withok dam until it is treated at the end of the nextdecade, Ergo is extending its present tailings dam at a cost of R315m.

That heiror the total to That brings the total to

R208.5m. of which R30m will bave been spent by the end of the current financial year on March 31. Expenditure on the project is

expected to reach a peak of R55m in the year to March 1985, with R47m the year after, then R55m and finally R24.5m in the year to March 1988. This programme may have to be deferred if there is in-sufficient taxable income in any

this context. Ergo bas stressed that capital spending already planned for the company

already planned for the company itself and its Simmergo division, involving rehabilitation of the old Simmer and Jack mine, will take precedence over any plans for the Daggafontein area.

The net expenditure on the whole project of R69m will be met by the R35m from the rights issue and the sum of R24.6m payable from Dumpeo in respect of the acquisition of the dams, leaving around R10m to be

Goode Durrant shortfall as UK profits slump 45%

A NEAR 45 per cent fall in UK pear from banking services, conprofits resulted in Goode Durrant and Murray Group returning lower overall pre-tax profits of £2.62m against £2.77m for the year to October 31 1983.

Profits at home fell from profits from the retail depart. £1.18m to £651,000 offsetting an advance of £241,000 to £1.04m in Australia and New Zealand, and a £160,000 rise in South African overall group turnover expanded from £61,49m to £64.52m. Australia and New Zealand, and a £160,000 rise in South African profits to £849,000. Profits in the U.S. were £14,000 lower at £1.09m (£893,000) giving a net

L.S. were £14,000 lower at £1.09m (£883.000) giving a net balance of £1.53m (£1.87m).

At the interim stage, group taxable profits were ahead at £1.02m against £991,000.

A breakdown by activity (£98,000) leaving an attributable sbows that profits during the surplus of £1.56m (£1.94m).

period of last year,
Turnover for the first half, to
September 30 1983, expanded
from £1.48m to £1.67m—the
group, based at Hitchin, Herts,

Wm. Ransom jumps 120%

He adds, however, that the side the group's control.

to take advantage of any sparks in the marketplace when they

back of improved operating margins rather than any under-lying growth in group sales,

where an encouraging upturn in the UK is being offset by extremely tough competition overseas. The main inhibition to

growth is that the company's customer case ex-UK is in many of those OPEC countries which are strapped for cash at the moment An Illustration of the

tough overseas trading climate is the level of risk taken by one of Dale's Middle East salesmen

boom in information technology.
This has boosted orders for stand by generator sets as more

Tax accounted for £74,000, against £34,000, to leave available profits £38,000 ahead at £69,000.

In his last statement, Mr Ran-som said that compared with the first four months of the previous year the group had started the current year encouragingly with turnover up by 22 per cent.

He told shareholders that be expected to be able to announce Mr kansom says in his interim expected to be able to announce a substantial increase in profits in profits was achieved against a background of patchy export that be was more cautious about markets and pressure on margins in the home market.

Expected to be able to announce a substantial increase in profits at the interim stage, but added a background of patchy export that be was more cautious about markets and pressure on margins in the home market.

Driefontein rockburst confirmed by inquiry

AN INQUIRY by the local chief inspector of mines has confirmed that the accident over the Christmas period in which five men lost their lives in South Africa's Driefontein Consolidated gold mine was caused by a rockburst.

This particular rockburst, a virtual explosion of rock brought about at depth by the aeverencessures on the surrounding results in the loss of at least 14

burst.
This particular rockburst, a virtual explosion of rock brought about at depth by the aevere pressures on the surrounding strata, measured 4.fi on the Richter scale, according to the pressures on the surrounding result in the loss of at least 14 man-shifts.

Richter scale, according to the inspector.

The accident happened on December 27 at a depth of some slight injuries.

result in the loss of at least 14

Gopeng group increases tin output

producers in Malaysia's Gopeng group show good rises from Gopeng Consolidated itself and the newer Mambang Di-Awan

toenes tonnes tonnes
1311-117 121
46 184 84-- 9 9
181-231-12



This announcement appears as a matter of record only **A.P.S. GROUP LIMITED** £1,000,000 Ordinary Shares

SHANNING INTERNATIONAL LTD. (total hospital equipment packaging) A.P. CONTROLS LTD. (medical systems engineering/controls) APPLIED PNEUMATICS LTD. (compressed air plant/oneumatic systems) The undersigned arranged the Privale Placement of these shares with U.K. Institutional Investors.

HOARE GOVETT LTD. 31st lanuary 1984



The following points were made at the annual

Although demand is holding it is not easy to

ingly difficult to sell in many export markets. Are you buying British?

RESULTS - YEAR ENDED 30th SEPTEMBER

general meeting:

achieve greater profitability Owing to growing nationalism it is increas-

| | 1703 | 1702 |
|--------------------------------------|---------------------|----------------|
| | £000s | £000s |
| Sales | 44,173 | 40,463 |
| Not assets | 12,695 | 12,372 |
| Profits before tax | 1.314 | 1,122 |
| | Pence | Pence |
| Earnings per share | 5.02 | 4.92 |
| Dividends per share (gross) | 4.73 | 4.73 |
| Net assets per share | 67.15 | 65.44 |
| Copies of sunual report and accounts | ore evailable from: | Concentric Pla |
| | | |

U.S. \$10,000,000

Floating Rate U.S. Dollar Negotiable Certificates of Deposit, Due 9th August 1984 THE SAITAMA BANK, LTD. LONDON



In accordance with the provisions of the Certificates, notice is hereby given that for the final six months interest period from 9th February 1984 to 9th August 1984 the Certificates will carry an Interest Rate of 101% per annum. The relevant interest psymont data will be 9th August 1984.

Merrill Lynch International Bank Limited

US\$100,000,000

Merrill Lynch Overseas Capital N.V.

(Incorporated with limited liability in the Netherlands Antilles) Guaranteed Floating Rate Notes due 1987 Unconditionally Guaranteed by

Merrill Lynch & Co., Inc.

In accordance with the terms and conditions of the above-mentioned Notes and Fiscal Agency Agreement dated as of April 15, 1981, between Merrill Lynch Overseas Capital N.V., Merrill Lynch & Co., Inc., and Citibank, N.A., notice is hereby given that the Rate of Interest has been fixed at 1012 pa and that the interest payable on the relevant Interest Payment Date, May 10, 1984 against Coupon No. 12 in respect of US\$5,000 nominal of the Notes, will

February 10, 1984, Landon By: Citibank, N.A. (CSSI Dept), Agent Bank

CITIBAN(

and further growth seen

AS EXPECTED, William Ransom & Son recovered sharply during the opening six months, pushing up its profits by £78,000 to £143,000 at the pre-tax level.

Provided there is no slackening of demand this month and next, Mr M. H. Ransom, the chairman, expects the second six months to produce profits similar able profits £38,000 ahead at months to produce profits similar to, or slightly in excess of, the £200,000 attained for the same

is a manufacturing chemist.

Mr Ransom says lu his luterim

Net asset value per 10p share of F. & C. Enterprise Trust Increased from 23.6p to 33.4p as at December 31 1983. For the 12 months to that date, pre-tax revenue rose slightly to £117,542, compared with £115,110.

After tax of £34,871, against £45,761, earnings per share were 0.147p (0.138p).

Franked income for the period was well ahead at investment income was £33,000

vious year.

In making the calculation, directors have included dealing inevstments at market value. They say no account bas been taken of the possible exercise, between 1984 and 1991, by holders of warrants to subscribe for 1.5 or which the calculation. for 1.8m ordinary at a price of

101p.
The final dividend is main-

Increased pre-tax profits, up from £1.95m to £2.37m, are reported by London Shop Property Trust for the balf-year to October 31 1953. The interim dividend is raised from 1.5p to

COMPANY NEWS IN BRIEF

Franked. income for the f197,000 to £255,000, and listed period was well ahead at investment income was £33,000 (£249,263). Management expenses and interest took £275,909 (£171,088). *

Net asset value per 25p sbare of Drayton Far Eastern Trust rose to 122,25p at December 31 1983, compared with 85p the previous year.

**

Franked. income for the f197,000 to £255,000, and listed investment income was £33,000 (£24,000). Net interest payable was higher at £1.33m compared with £1.15m. First balf tax rose from £755,000 to £1.01m, and there were minorities of £23.000 (£10,000).

Earnings per 25p share were 4.15p (3.7p) hasic, and 4.05p (3.6p) fully diluted.

For the six months ended October 31 1983 Ewart New Northern, commercial and indus-

trial property developer, returned pre-tax profits of £23,313, which compare with £22,472 for the opening half of the previous year.

Earnings emerged at 2.32p (2.26p) per £1 share after tax of £5,063, against £4,660, and the net interim dividend is the same The final dividend is maintained at 0.45p, making a same again net total of 0.85p. Net revenue for 1983 was £147,000 (£137,000) after tax £126,000 at the final of 3p was paid for (£130,000).

Yeoman Investment Trust has raised its final dividend for the year 1983 to 5.2p from 4.75p, making a total of 7.7p, compared with 7.25p. During the year to

DACE LENDING DATES

| BAS | SE LEND | ING RATES |
|------------------------------------|-------------|--|
| A.B.N. Bank | 9 % | Hambros Bank 9 % |
| Ailied Irish Bani | 9 % | Hambros Bank 9 % Heritable & Gen. Trust 9 % Hill Samuel 9 % |
| Amro Bank | 9 % | Hill Samuel 9 % |
| Henry Ausbacher | 9 % | C. Hoare & Co 1 9 % |
| Arbuthnot Latha | m 9 % | Hongkong & Shanghal 9 % |
| Armco Trust Ltd | 9 % | Kingsnorth Trust Ltd. 10 % |
| Associates Cap. | | Knowsley & Co. Ltd 91% |
| Banco de Bilbao | 9 % | Lloyds Bank 9 % |
| Bank Hapoalim | BML 9 % | Mallinhall Limited 9 % |
| BCCI | 9 % | Edward Manson & Co. 10 % |
| Bank of Ireland | C) plc 9 % | Meghraj and Sons Ltd. 9 % |
| Bank Leumi (UI | () ple 9 % | Midland Bank 9 % |
| Bank of Cyprus . | 9 % 1 | Morgan Grenfoll 9 % |
| Bank of Scotland Banque Belge L | td 9 % | National Bk. of Kuwait 9 % |
| Banque du Rhone | 10 % | National Girobank 9 % National Westminster 9 % |
| Davelessa Davis | 10 % | National Westminster 9 % Norwich Gen. Tst 9 % |
| Beneficial Trust | | Meghraj and Sons Ltd. 9 % Midland Bank 9 % Morgan Grenfoll 9 % National Bk. of Kuwait 9 % National Girobank 9 % National Westminster 9 % R. Raphael & Sons 9 % |
| Bremar Holding | Ltd. 9 % | P. S. Refson & Co 9 % |
| Brit. Bank of Mid | | Roxburghe Gnarantee 91% |
| Brown Shipley | 9 % | Royal Trust Co Caneda 9 % |
| CL Bank Nederla | ınd 9 % 1 | J Henry Schroder Wagg 9 % |
| Canada Perm't | Trust 10 % | Standard Chartered 9 % |
| Castle Court Tru | st Ltd. 91% | Trade Dev. Bank 9 % |
| Cayzer Ltd | 9 % | TCB 9 % |
| Cedar Holdings | obet 9 % | Standard Chartered 9 % Trade Dev. Bank 9 % TCB 9 % Trustee Savings Bank 9 % United Bank of Kuwait 9 % |
| Charterhouse Jay Choulartons | | United Bank of Kuwait 9 % |
| Citibank Saving | 8101 Q | United Mizrahi Bank 9 % Volkskas Intal. Ltd 9 % |
| Clydesdale Bank | 9 % | Westpac Banking Corp. 9 % |
| C. E. Coates | | Whiteaway Laidlaw 91% |
| Comm. Bk. of N | East 9 % | Whiteaway Laidlaw 91% Williams & Glyn's 9 % |
| Consolidated Cre | | Wintrust Secs. Ltd 9 % |
| Co-operative Bar | | Yorkshire Bank 9 % |
| The Cyprus Popu | | Members of the Accepting Houses |
| Dunbar & Co. Lt | | Committee. 7 day deposits 5.5%, 1-month |
| Duncan Lawrie | | 6%. Fixed reto 12 months £2.500 |
| E. T. Trust Exeter Trust Ltd | | 9% £25,000 12 months 8.5%. |
| First Nat. Fin. C | | 7-day deposits on sums of: onder £10,000 57,%, £10,000 up to £50,000 |
| First Nat. Secs. | Lid 701 6 | 67%, £50,000 and over 72%. |
| Robert Fraser | 10 % | Call doposits £1,000 and over 55%. |
| Grindlays Bank | 19 % | 21-day deposits over £1,000 67%, |
| Guinness Mahon | | Demend deposits 51%. Mortgego basa rate. |
| | • M | unandela adde sere. |



Holborn Fund Management (Guernsey) Led., P.O. Box 61, Bermuda House, St. Julian's Ave., Holborn Currency Fund Limited

Prices as at 9.2.84 Bid Office DM Dep. DM 50.01 DM 50.20 96.5p Med. USS Sw Fr Dep. Sw Fr No Sw Fr 50 100.4p \$ Nil 100.7p Yen 5,002 Yen 5,021

December 31 1983, the trust managed to hoost the net asset value of its shares by more than 27 per cent, from 202.6p to 259.3p.

Franked income totalled £1.2m (£1.13m), while unfranked income was slightly lower at £391,000 (£404,000). The interest charge was £43,000 1£46,000) and administration expenses were £120,000 (£113,000). Pre-tax revenue for the year was £1.42m (£1.38m) on which there was a tax charge of £457,000 (£469,0001, leaving earnings per share at 7.86p (7.41p).

Net asset value per 50p share of New Tokyo Investment Trust virtually doubled from 145.6p to 290.3p in the 12 months to December 31 1983. After adjust ment for exercise in full of rights attached to warrants, the value emerged at 273.7p compared with 141.5p.

Taxaole profits for the year were £28,000 (£25,000), from which tax took £34,000 (£20,000) to give a loss per sbare of 0.05p (profit 0.06p).

Taxaole profits for the year were £28.58m. fe for the period to Z\$1.24m (£177,500), the period to Z\$1.24m (£177,50

MINING NEWS IN BRIEF

usith a loss of \$203.5m for 1982. The company said that the improving trend was reflected in the fourth quarter operating loss of \$20m compared with \$90m in the same period of 1982. grammes per tonne and produced

THE WEAKNESS of the Zimbabwe dollar against the U.S. currency belped to limit the fall in the gold price received by the mines in the Falcon Mines group in the quarter to December 31. This factor combined with the exploitation of higher-grade ores at the Dainy and Venice mines to hoost net profits for

THIS YEAR'S results of from its 90 per cent-owned Canada's nickel-producing inco Vatukoula mine in Fiji in the are expected to improve "sig- 16 weeks between September 14 are expected to improve "signlficantly" over those of 1983 and January 1 totalled 11,844 oz.
which, as reported here on
Wednesday, showed a net loss of
U.S.\$234.9m (£166.3m) compared
an average grade of 4.23 grammes The underground operation treated 31,590 tonnes of ore at an average grade of 423 grammes of gold per tonne to produce 4,293 oz, while the open-cut treated 57,096 tonnes at 4,11 grammes per tonne and produced

> 7,551 oz of gold. Western Mining has a 10 per cept holding in Vatukoula. *

Mineable reserves to date at the Kalgoorlie joint venture of Australian Occidental (55 per-cent) and Black Hill Minerals (45 per cent) are put at 4.6m tonnes grading an average 2.9 grammes gold per tonne. The joint venture has not put

any figure on reserves below 60 any ngure on reserves below 60 metres but has indicated that the open pits have been designed to 90 metres, A further zone of potentially economic gold mineralisation is stated to have been found on the Union South black.

Meanwhile, adequate water supplies are said to be available for milling and the joint venture is awaiting the full and final feasibility study from its consult-ing engineers which is due in a few weeks' time.

THE LATEST tin concentrate

operation. operation.
The main Gopeng company's output rose to 1311 tonnes in January from December 117 tonnes, while Mambang achieved 46 tonnes against 191 tonnes in December, when the dredge was in operation for only half of the month.

Palabora pays higher final

AFTER having seen their 1983 third quarter dividend reduced by 5 cents to 12.5 cents (10p), shareholders of the Rio Tinto-Zine group's South African Palabora copper operation might well have prepared themselves for an unexciting final payment, especially in view of the downturn is copper prices during the fourth quarter.

But the final payment is increased by 5 cents to 27.5 cents, thereby maintaining the year's total at 60 cents. And this is in the face of a fall in copper sales during the fourth quarter from the level of the previous three months. AFTER having seen their 1983

previous three months.

for the Tull year, however copper sales were modestly higher at 124,211 tonnes against 122,345 tonnes in 1982 and a higher average metal price would have been received.

As forecast, earnings for the second half of 1983 have not matched the good performance seen in the first six months. But the net profit for the year is still ahead at R31.9m (£25.3m) compared with R27.9m for 1982; the latter forms were struck the latter figure was struck before deducting deferred taxa-tion of R3.25m.

Finance and the small business

In this week's Investors Chronicle see our special 14 page guide to development and venture capital facilities and business expansion schemes funds.

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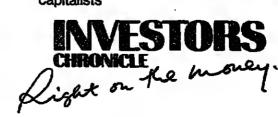
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Sergeant J*n*k*n was hit on the head



he lost his reason

After 3 years in the last war, after keeping the peace in Kenya, after seeing through the evacuation of Aden, during a tour in Northern Ireland Sergeant J^n^k^n was hit on the head. With a stone.

He lost his reason. He has been with us ever since he was invalided home.

Sometimes in hospital, sometimes in our Convalescent Home — wherever he is, we look after him. One day, he'll probably enter our Veterans' Home for good, still thinking that the next man in the street is about to attack him. Every year brings in more and more deserving cases like Sergeant J "n" k"n. For those who are homeless and cannot look

after themselves in the community, we provide permanent accommodation in our Hostel. And every year our costs go up.
If we are to survive, we must have more funds. We're doing everything we can, but in the end it depends upon what you can

afford to give. "They've given more than they could —

please give as much as you can.". **EX-SERVICES**

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Taddale bid rejected by Prince of Wales

Taddale, which is PW's largest shareholder with a 14.8 per cent atake, is offering 130p cash for each 25p PW share through a newly-formed company, Taddale Hotels Europe (THE). PW's share price rose 23p to 140p yesierday, while Taddale'a rose ip to 39p.

W. Michael Carton, Taddale

Mr Micbael Carlton, Taddale chairman, said he had been considering hidding for PW for the past six months but had been rushed by PW'a aunouncement at the end of last month of plans for a one-for-two rights issue.

The rights issue, which will part-fund PWa purchase of St Georges Hotel in central London from Trustinguse Forte for £3.62m is to be put to share-holders on Monday. The Taddale bid is conditional on the St. Georges purchase not going

As part of its proposed move into the botels sector Taddale has signed an agreement with Quality Inns of America, a hotel management group. Taddale will take an initial 20 per cent stake in the initial company which in the Joint company which would manage the PW hotels and form a springboard for the expansion of Quality Inns into the UK and the Continent.

Taddale said it also has two experienced boteliers on its own management team, Mr William Grossman, with 35 years' experience in the sector, and Mr Tony Hothwell, chief executive of Best Western Hotels, a hotel marketing operation. Mr Rothwell nwns 10 per cent of THE.

Mr Arnold Clayman, chairman of Southport-based PW, said: "We are secptical of the hotel expertise they are talking obtu. They have cobbled together a management package at the last moment. They don't have the financial muscle to make a full bid." Taddale said it also has two

Schroders, advisers in PW, said that the bolders of more than 50 per cent of the PW shares had indicated—before the Taddale bid was announced—that they would approve the St George's purchase. Shareholders contacted yesterday were still in favour of going ahead with the extra-Consideration for the sale, in which Lawrence will take nn a £2.32m loan owed by Tricom, is approximately £2.5m. The deal will be satisfied by the allotment of 1,178,310 ordinary shares in Lawrence, which have been placed by Hoare Govett.

The sale of Tricom, engaded in the business of builders and plumbers merchants, is in accordance with Comtech's policy of going anead with the extra-ordinary meeting nn Monday but Scbroders is taking legal advice on whether to adjourn the meet-ing to allow shareholders to consider the Taddale offer.

PW dismissed Taddale's offer s "unacceptable and totally inadequate," pointing to an asset valuation of 150p per share carried out last year. PW, which owns 10 hotels, expects to make a pre-tax profit of £700,000 in 1963 against £583,000 the year

Mr Michael Carlton, Taddale's plan to buy the Si George's Hotel meant we were left with no time to complete a deal with Quality Inns. At the end of the day we would like to have a 50/50 arrangement with them in the PW management group."

Moving into hotels is intended Moving into notes is intended to give Taddale a new identity, Mr Carlton said. Tha Stock Exchange turned down the company's application for a listing last September on the grounds it had no identifiable husiness activity which had been carried on for five years. on for five years.

nanufactures Sy Charles Batchelor
Prince of Wales Hotels yesterday rejected a \$7.85 cash bid from Taddale Investments, the industrial bolding group which recently failed in its attempt to gain a Stock Exchange listing. Taddale said it would place with institutions any shares acquired in excess of a 60 per cent stake.

Taddale, which is PW's largest the state of the s

manusacturer of chinical lauvis-tury products in the U.S., and the third largest distributor of scientific products in the world. The deal, which has been under discussion since autumn

The purchase bas been funded by issuing 4.91m Fisons shares to Coulter. These shares were placed in the London market early yesterday, at a price under-stood to be about 725p per

Fisons share. CMS 13 hased in Houston, Texas, and Is a major distributor tn the U.S. health and care mar-ket. It supplies clinical laboratory products, instruments and diagnotistic rezgents, and claims a 14 per cent share of the U.S. clinical market. This is bettered only by American Scientific Products, which claims

the world leader in blood cell counters and other haematology instruments. It is understood that Mr Coulter was prepared to sell CMS because he was keep to provide freeb funds for research in the counterbalance its ceutical and borticultural tioos, Mr Kerridge said.

1984, Mr John Kerridge, Fisons' chief executive said yesterday. In the year to March 31, 1983, CMS's profits hefore tax were

The deal boosts Fisons' scien-tific instrument operations, which now account for almost 50 per cent of group turnover. In the U.S. in particular, the expansion will counterbalance its pharma-

year both to expand in the U.S. and to attract U.S. investor in teresi in the group. In October last year, it placed a \$15m con-

See Lex

Terms for Gleneagles are final

that these acquisitions represent an important slep in achieving national coverage and establish-

Equity Capital For Industry and British Tar Products are each providing £150,000 additional finance for Neo Plants in return for 25 per rent of the equity. In a separate venture, ECI is acquiring a 16 per cent holding in Comhustion Developments and is providing £100,000 in additional finance,

Ferranti's shares fell 4p to

Ferranti

in U.S.

pays £6.4m

expansion

By Charles Batchelor
Ferranti, the electronics group, is to pay about \$9m (£6.4m) to huy TRW Controls Corporation of the U.S., a manufacturer and supplier of control, data acquistion and energy management systems for the gas, electricity and nil distribution industries.

The UK company already makes similar process control

equipment at its Wythenshawe division in Manchester hut the purchase of the U.S. group from TRW Inc will open up markets in North and South America.

Ferranti has made a number of small acquisitions in the U.S. in rerent years spending a tolal of \$50-\$60m. Turnover in the U.S. and Canada amounted to

division.
Ferranti said it understood TRW was selling hecause Controls did was not tolally compatible with its other interests. Controls will be renamed Ferranti International Controls Corporation.
Ferranti and TRW compele in the control of the compele in the control of the c

Acceptances of the Reed Stone house offer for Stenhouse Hold ings bave been received in respect of 96.8 per cent of the shares. The offer has become unconditional and Reed Sten-house will apply to acquire the

Osprey Petroleum intends to recommend shareholders to accept a formal offer of 115p a saw nothing in the additional information which would lead it to to increase the offer for a second time. Accordingly, lt declared its offer final. share, which is heing ma Bristol Oll and Minerals.

Early acceptance by Prudential in £11m offer for F. Miller

Prudential Assurance made an early and potentially decisive move in the battle for control of Glasgow-based F. Miller (Textiles) when, a week before the final bid deadline, it accepted the contested £11m equity offer from Nottingham Manufacturing. The institution holds e 10.4 per cent stake in Miller and its commitment to Nottingham lifts the inder's acceptances to 33.05 per cent of Miller's equity. The movement of a proportionately significant holding by such an influential inatitution may possibly persuade other wavering funds to take Nottingham's one-for-six share exchange terms

U.S. and Canada amounted to £26m in 1983, out of the group total of £372m.

It has reached agreement to buy TRW Controls of Houston, Texas on April 2 at a price to be based on net assets at March 31. The cash payment is expected to he about \$8-\$10m.

TRW Controls employs 270 people and has turnover of \$20m annually, it currently forms part of TRW's electronics and defence division. for-six share exchange terms.

However, resistance to the bld,
instigated by Grieg Middleton,
Miller'a former broker, and now

Assets Government Securities......Advance & other Accounts Premises Equipment & other Jees,

said to be experienced in the textile and engineering fields, bas not yet been named but it is expected that a leading merchant baok will be engaged today to advise on their plans to advise on their plans to be opied on to the F. Miller board. It is possible that the current chairman, Mr Freddie Miller, will be asked to stay on Although Prudential's move may yet precipilate a third party hid, the arrival of a new party hid, the arrival of a new conlestant is now thought very unlikely. The absence of a higher offer looks to have influenced Prudential's decision. A key point for the hithertn uncommitted funds is the extent to which an incoming management team can maintain Miller's traditional links with Marka and Spenrer.

Miller's former broker, and now marshalled by the Scottish Development Agency (SDA) has be on means eoded.

The SDA had already approached each of Miller's uncommitted institutional shareholders, har the Prudential, and received indications that all 24 funds were prepared to back a proposed new management team.

This team of four managers, traditional links with Marka and Spenrer.

M & S has traditionally accounted for some 80 per cent of Miller's turnover.

At the heart of the issue is whether Nottingham's 38.3p per share offer is enough. The hidder says Miller's assets are worth 19.4p per share while Greig Middleton has calculated that net worth is currently 39p per share.

BANK RETURN

BANKING DEPARTMENT

a,36a,233,377

2,388,235,377

+ 417,547,194

+ 417,547,194

ISSUE DEPARTMENT

+ 10,000,000

New Japan Securities Co., Ltd.

Goldman Sachs International Corp.

Kokusai Securities Co., Ltd.

Osakaya Securities Co., Ltd.

Yamatane Securities Co., Ltd.

Bache Securities (Japan) Ltd.,

The Toko Securities Co., Ltd.

The Kaisei Securities Co., Ltd.

Hinode Securities Co., Ltd.

Vickers da Costa Ltd.,

Mito Securities Co., Ltd.

Chno Securities Co., Ltd.

Baoque Paribas

Hiraoka Securities Co., Ltd.

Nichiei Securities Co., Ltd.

Utsumiya Securities Co., Ltd.

The Izumi Securities Co., Ltd.

NEW ISSUE

January 1984

All these bonds having been sold, this announcement appears as a matter of record only.

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Deutsche Bank Aktiengesellschaft

Morgan Guaranty Ltd

Morgan Grenfell & Co. Limited Swiss Bank Corporation International Limited

Baoque Paribas

Fisons first major U.S. acquisition

Fisons, the UK group which board CMS borrowings of about \$220m a year by Mr Wallace coupling agrochemicals, \$35m. pharmaceuticals products and scientific instruments has agreed

last year, involves payments of \$31m for the net tangible assets of CMS, and \$19m for goodwill.

In addition, Fisons will take on

other areas, particularly genetic engineering and other microbiology work.

As part of the agreement, CMS retains for the next five years the exclusive right to distinct the contract of the

tribute Couller instruments in the U.S. The prire of these products is to be enhanced, adding at least \$3.5m to CMS's profits in

ceutical and borticultural opera-Fisons has planned for the pay

vertible loan note, mainly to alert attention to its operations. Mr Kerridge said the group was not conrerned about taking on CMS's debts. Fisons currently bas no borrowings, and after the CMS deal, its gearing will be 10

Sunlight acquires rival's subsidiary

THE LONG struggle for dominance in the laundry and cleaning industry came full circle
narrowly failed.

In the latest deal, Sunlight is

Security Arrangements.

St George's net assets were
about £3.2m at the end of
businesses is about £2.25m in
December. The subsidiary was
cash.

Sunlight, however, liable for an inter-company loan

Comtech sells

Combined Technologies Corpn. designer and manufacturer of

control systems, has agreed in principla to sell its wholly-owned subsidiary Tricom Supplies to Walter Lawrence, a construction and engineering

concern.
Consideration for the sale, in

subsidiary

for £2.5m

BY DAVID DODWELL

Arthur Bell, the Scotch whisky

distiller, yesterday squashed all

remaining hopes of an improve-

ment on its £27m all-share bid

for Gleneagles Hotels when it

declared its offer final. The hid

will close on Thursday, February

Bell bas won control of over 52 per cent of Gleneagles shares, and has already declared the bld

The Gleneagles management,

The Gleneagles management, which controls the prestigious Gleneagles Hotel in Perthsbire, two hotels in Edinburgh and the Piccadilly Hotel in London, is nevertheless maintaining the defiant stance it has held since the bld was first mounted a process.

ing industry came full circle yesterday when Sunlight Services Group, one of the key protagonists in the series of hattles which lasted more than one year, acquired a subsidiary from Pritchard Services Group, its arch rival last summer.

Sunlight is huying St George's Group, the linen hirer, in a seriea of deals which will cost f6.41m in aggregate. St George's had almost eliminated Spring Grove in the summer of 1982. A year later, when St George'a had almost eliminated Spring Grove's profits, both Pritchard and Sunlight both for Spring Grove. At the same time, Brengreen, hid for Sunlight.

The Sunlight offer for Spring Grove was blocked by the Monopolies Commission, leaving company and restain instalments by sunlight shares.

In the latest deal, Sunlight in instalments so sunlight in instalments by surface in instalments by surface was looked by the Monopolies. Sunlight in instalments by sunlight shares at 1205p each to raise £2.94m net. Sunlight has adopted the placing roule rather than a rights issue hecause the terms will be financed by vendor placings of shareholders would be unlikely to subscribe for their entitlements under a rights issue." Brengreen retains a 7.5 per rent stake in Sunlight.

Sunlight has adopted the placing roule rather than a right issue hecause the terms will be financed by vendor placings of shareholders would be unlikely to subscribe for their entitlements by subscribe for their enti

liable for an inter-company loan of £3.76m at December 31, of which £2.43m was capitalised and the halanre of £1.33m was transferred to Sunlight. Its tax losses amount to £2.9m.

The other operations have combined net worth of £1.18m and aggregate historic profits hefore tax were £136.000.

Sunlight, which will convene an extraordinary meeting to

an extraordinary meeting to sanction the required increase In authorised share capital, says

rerranti and TRW compete in many markets but bave a jointventure. TRW Ferranti Subsea
—incorporated in Scotland and 51 per cent-owned by Ferranti—
which supplies automatic control equipment for offshore applications.

Ferranti's shares fell 4p to national coverage and estanishing a major stake in the national cleaning industry. It also calcolates that profits last year grew from £2.13m 10 £3.5m hefore tax and forecasts a total dividend of not less than 7p net per share. 641p yesterday.

with shareholders accounting for £32.4m, giving a surplus of the outstanding 47 per cent of £144m over net book value. Gleneagles shares proclaiming that these shareholders remained "resolutely hehind the board," and intended to snuh the Reil offer.

When releasing these figurea, Gleneagles complained: "A small number of shareholders bave, in an unseemly rush, transferred control of the company before other share-bolders could have the benefit of seeing the profit and asset figures on which to maka a valid judgment." outstanding shares.

judgment."
Bell riposted yesterday that it

in the wake of this coup, Gleocacles has produced a foremooth ago.

Mr Peter Tyrie, tha group's of at least £2.2m—almost double general manager, emerged yesterday afternoon from a meeting assessed its asset values to

With Bell's shares closing unchanged yesterday at 150p, this values each Gleneagles share at 235p, and the company at £25.65m.

for every 100 in Gleneagles.

Bell brought Gleneagles within its grasp a week ago when sharebolders accounting for just over 52 per cent of Gleneagles shares accepted an improved offer of 190 Bell shares for many 100 in Gleneagles.

3i extends its offer for Edith

unconditional.

Investors in Industry—now known as 3i—yesterday extended its bid for Edith, the investment trust, which values the company of 55 75 m. At the same time, it

ance with Comtech's policy of redeploying funds committed to its smaller UK commercial activities into its technical divi-sions product development pro-

Responding to shareholder concern that 3i had nodervalued certain of Edith's innunted securities in pitching its bid, 3i also announced that the Takeover Panel bad given permission for a committee of shareholders to Edith's portfolio which normally

agreement under which it bas vestments will be terminated at

the end of March next year. 3i holds 40 per cent of the shares in Edith. 3i revealed yesterday that it

bad received acceptances which would boost its stake in Edith lo just over 48 per cent. It said the offer will now close on Feb-

Edith shares ended yesterday unchanged at 58p.

at £54.75m. At the same time, it said its present offer was final. ruary 27 managed Edith's portfolio of in-

remain confidential. 31 also repeated, "to prevent any misunderstanding," that the

Mr Nigel Olsen, group general manager at 3i, said yesterday that the raison d'etre of Edith had been eroded since Estaies Duties Tax in 1974.

ents of the Council of The Stock Exchange. It does not constitute an offer of or invitation to subscribe for or purchase any securities.

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International, Inc.

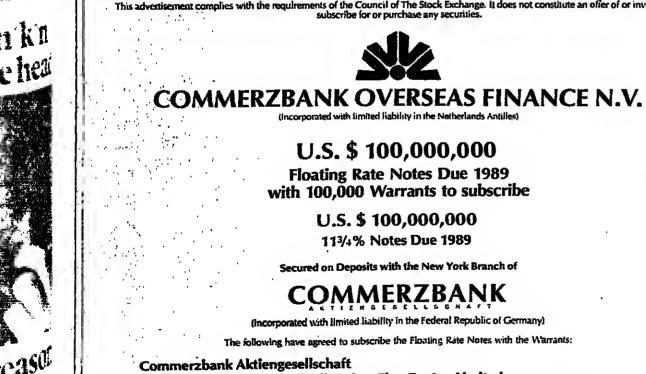
The Floating Rate Notes (with the Warrants), issued at 101.25 per cent., in the denomination of U.S.\$ 10,000 each and the 11?1% Notes Due 1989, in the denomination of U.S.\$ 1,000 each have been admitted to the Official List by the Council of the Stock Exchange subject only to the Issue of the Temporary Global Floating Rate Note, the Global Warrant and the Temporary Global 11345 Note. Interest on the floating Rate Notes is payable quarterly in arrear in February, May, August and November, commencing in May 1984. Interest on the 11346 Notes is payable annually in arrear on 21st October, commencing on 21st October 1985.

Particulars of the Floating Rate Notes, the Warrants and the 11346 Notes are available in the Extel Statistical Service and may be obtained discovered by the Particular of the Particular 1884 floating Rate Notes, the Warrants and the 11346 Notes. during usual business hours up to and including 24th February 1984 from:

London EC2Y 9DS

10th February 1984

Panmure Gardon & Ca. 9 Moorfields Highwalk



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THE MANAGEMENT PAGE

A quest for growth in mature markets

The chairman of Imperial Group—which announced its results yesterday—talks to Tim Dickson about his management strategy

HALF-WAY through an inter-view with Geoffrey Kent, the to a group which takes in food Imperial Group chairman and hotels (notably Howard Group chairman enquires: "Would to come and see my

Moments later and 62-year-old Kent is sitting happily in front of a VDU where—at the touch of a keyboard—he can call up financial management informa-tion on any one of the company's 24 operating units (known as Strategic Business

utive's Information System, says the terminal cheerfully before answering Kent's fingertip commands with a stream of detail on company WW's latest profits and cash flow, market share, working capital per employee and other relevant financial data (all incidentally compared directly with targets and the previous year's performance).

Explains Kent proudly, "It has been developed entirely in-house and is updated monthly, no later than 10 days after the end of an accounting paried."

Kent's use of this computer system—which is supplemented by regular bulletins produced for the main board—is a vivid illustration of his attempt over the last two and a half years to turn a sprawling, decen-tralised and somewhat simless corporate empire into a vastly tighter and more disciplined

For while Imperial Group's return to favour in the City of London has already been well chronicled—profits before tax of £195.3m announced yesterday provided further evidence of improvement—a remarkable but little known transformation in management culture bas accom-panied the rising share price. The question that has still to be answered is whether this change is fundamental enough to set the company on a new, high growth path.

the systematic setting of objecof the group through the appli- and the non-executive directors cation of "management by started to take a much more strategy." Kent believes that active role.)

tobacco Johnson) alongside tobacco (Players and Wills) and beer (John Courage) but is also helping to identify new areas of growth in some of its mature markets.

Instituting a more centralised management style in a disparate group of almost 100,000 group. employees and sales last year Ken of more than £4.4bn, however, is no easy task. And when Kent was appointed chairman in July 1981, following Malcolm Anson's brief year at the top, morale was at a low ebb.

Attempts to diversify away from the tobacco business—the group's mainstay for the first 70 years of this century—had brought a series of problems, culminating in a terrible set of interim results for the six interim results for the six months to April 1981.

Hands-on

"As a starting point I felt it was essential that the chief executive should be more closely involved," recalls Kent, who signalled his determination at his first press confer-ence by promising "to change the balance towards a hands-on style from the centre."

Commenting on this two and a balf years later be explains, "This didn't mean controlling the operational matters of the various divisions. What it did mean was having a strategy based on declared group objectives, and putting into place financial controls to ensure that this strategy was being implemented in accordance with the targets set."

Kent moved quickly in 1981 manoeuvre by scrapping the group pollcy committee to which the hoard had deputed day to day executive responsigroup pollcy committee to which the hoard had deputed day to day executive responsibility. Instead, he vested its powers exclusively in himself. (Two advisory committees were formed which reported to him and the non-executive directors started to take a much more active role.)

The next step was thus to subsured to take a much more active role.) igh growth path.

The new approach involves powers exclusively in himself. number of smaller strategic New chairmen, meanwhile, business units, These were

(Kent's previous company), at the struggling Howard Johnson division and at the food divi-sion, while a major weeding out at the group's Grosvenor Place beadquarters was accom-panied by the recruitment of a handful of bright, bighly pro-fessional head office manngers brought in from ontside the

Kent was thus ready to pursue his three initial objec-tives—a recovery programme (already under way) involving improved operating efficiencies and the disposal of peripheral and the disposal of peripheral businesses (notably those with a cyclical record); the introduction of what he calls "best practice" criteria; and the implementation of "management by strategy" whereby operating units plan for the future in line with overall group objectives

ohjectives.
The requirement that all four operating divisions should operate "best practice" operating divisions solution operate "best practice" involved a head office analysis of the return on capital employed by a sample of the ctose competitors in Imperial's various markets then seeing how divisional performance matched up.

Kent admits the exercise was

"a bit crude " given that no two companies report return on companies report return on capital employed in the same way—but it nevertheless highlighted the inadequate returns relative to what was being achieved elsewhere in all parts of the group save tobacco. The exercise had its effect—a year later Howard Johnson was the only division below near only division below par.

While the "best practice" concept continues to highlight

the problems at HoJo-its £19.4m of operating profits for 1983 announced yesterday must he set alongside the \$630m purchase price in 1980 (or £275m at **Share Price** Sales^{*} Pre-Tax Profits*

defined very broadly as a part of the husiness for which one executive is responsible and who is following a distinct "mission," competing with an identifiable set of outside rivals, and able to formulate and implement a strategic plan with little impact from others.

A total of 24 such units were established using these yard-sticks and their executives were subsequently asked to position themselves on a matrix containing four basic types of business—embryonic, growth, mature "A fundamental requirement

of management-by-strategy," Kent told his divisions, " Is that decisions are taken hased on a sound and detailed understanding of the businesses which we have and of the competitive dynamics in which they operate. Further, it is necesthe strengths and weaknesses of the group as a whole . . . and it is essential that our understanding stems from data which integrated and comparable. Without this no logical conclusions can be drawn from which equitable decisions and action plans can be developed."

Detailed strategies were thus compare this with the scope for growth.

The developed of the compare this with the scope for growth.

With strategic management principles now applied to the group's existing assets, however,

drawn up for each strategic budgets and medium-term plans Kent believes Imperial is well business unit by reference to a standard set of data. Industry the centre and allocations and and resume a growth path. classification temprovonic or mature, for example), competitive position, stability of and the scale of the revolution market share—all have to be becomes apparent. (Another set out on a standard questionnaire along with trading per-formance, return on capital employed and cash flows (historic and projected) and invest-

ment plans broken into separate maintenance, improve-

some companies are diverted to others," as one executive puts it -the approach has required a new relationship between those at the sharp end of the business and those at head office. Indeed the 1984-88 five-year plan was put together princi-pally by the head office team-based closely on divisional num-bers but also on its own assumptions and on detailed suggestions for each unit put forward by Kent himself.

reductions were made centrally and the scale of the revolution becomes apparent. (Another significant innovation is a bonus scheme for 23 top executives— their remnneration is substan-tially increased if they meet individual targets set much higher than those of the operations they are running.)

Besides giving management a clear framework — "setting out who should be contributing what and why resources from some companies are diverted to achieve a diverted to the contribution of to acquire a strong market position in the industries in which the group operates. For in spite of the recovery

programme - improved efficiency in the tobacco and beer divisions and the disposal cyclical businesses like the B. Eastwood poultry concern — Imperial's image in the City remains that of a group stuck with a collection of largely husinesses, mature apparently offering limited

A high flyer

GEOFFREY KENT, aged 62. who was appointed chairman and chief executive of Imperial Group in July 1981, has spent the bulk of his life in the tobacco industry. Educated at Blackpool Grammar School, he served with the RAF during the war hefore moving into the marketing and advertising world. After appointments with a number of companies (including Johnson and Johnson) he joined John Player and Son in 1958 as advertising manager and moved up the ranks. He became marketing director in 1964, assistant managing director in 1969 and chairman and managing director in 1975. Between 1978 and 1981 he was chairman of the Group's Courage subsidiary which had been acquired

Kent lists his recreations in Who's Who as skiing and fly-ing and is one of the comparatively few private pilots to hold a full instrument rating. This enables him to fly in recognised airways and controlled atrspace through-out the world.

But while Kent talks of a "radical asset recycling pro-gramme" he refuses at this

stage to give away any clues as to the specific priorities for future investment. Dismissing City rumours of a major impending acquisition — which would be deemed controversial at this stage — he talks of acting " for the near future at least not wholly outside the sectors in which we are now operating."

Broadly speaking the aim is to mova businesses in a strong or favourable position "to an even stronger position on the competitive 'chessboard'" and to ensure that cash from mature and declining husinesses is re-cycled into areas of faster

But while much has been achieved in the way of increased efficiency and the disposal of peripheral activities, it is still much too early to predict the much too early to predict the outcome for a group once again atarting to go forward. Much will depend on the way the new management can build on the strategic management prin-ciples recently applied by their

Management abstracts

Planning product / processing technology. R. Malpas in Harvard Business Review. (U.S.), July/Aug 83.
Contends that "planning for the plantafter-next" is not only a useful way to keep research, devetopment and engineering on target, but is a powerful top management innovatory technique; outlines the value of learning curves in monitoring learning curves in monitoring technology development and stimulating innovation, and suggests discount-cash-flow and suggests discounteranters and age-of-asset records as useful supporting data. Outlines questions managers should ask to establish the viability of trade-offa from new process pro-posals, and offers guidelines for R and D organisation and tech-nological planning.

Managing with professionals. B. Tegner in Industrial Society (UK), Sep 83

Discusses the terms "professional" and "professionalism," and examines difficulties that can arise in organisations employing professionaly qualified personnel due to the stance such individuals may take as to where their commitments lie; suggests guidelines for employers, concluding with the advice that, while professionalism has much to offer, his negative aspects should not be necepted as inevitable.

future technological work cul-ture. P. R. Harris in Leader-ship and Organisation Development Journal (UK), Vol 4 No. 1

logical developments currently causing dramatic changes to traditional industries and trad-ing patterns. Stresses that meits are good at anticipating and applying innovations; argues that keeping up with technological developments re-quires a new kind of manage-ment able to take risks, become more cosmopolitan, manage change, and be more proactive.

Energy Conservation, J. F. Gamlin in IEE Proceedings— Part A (UK), Sep 83 Indicates areas where electrical engineers can contribute to energy conservation by re-cycling materials, monitoring/ control of energy expenditure, and more economical design; of electric motors.

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Annual **General Meeting**

National Commercial Banking

Highlights from the Chairman's Address

Deregulation of the Financial System

In previous years I have spoken of the progress being made towards freeing the banking industry of restrictive official regulation. Recently we saw the Australian dollar being floated in one of the boldest steps yet taken towards deregulation. The authorities are to be complimented on this initiative. The Government also appears to have been moving away from the concept of tight control over bank interest rates. Freedom to set and vary prices to meet market conditions is crucial to the efficient operation of any business. Banking is no exception. The current environment of reduced market interest rates has created an ideal opportunity for the authorities to permit banks greater interest rate freedom than they have enjoyed for many years.
I have high hopes that once the

Government has assessed the findings of the Martin Group, interest rate controls will be further relaxed. This will then give us an opportunity to make housing loans more accessible and more affordable, and also allow us to enhance our lending facilities to small business. Further deregulation of the financial system also seems likely to involve the admission of new entrants into the banking industry. The probability exists of the Government granting additional banking licences to foreign bank interests. We are not opposed to such a development. National Australia Bank has the strength and expertise to compete in such an environment. However, we would naturally prefer the remaining restrictions on our activities be removed prior to overseas banks being admitted,

Corporation of Australia Limited

Outlook for the year ahead will result in a resurgence of Australia is on the road to

economic recovery. Real growth is expected to exceed 4% during the 1983/84 financial year in contrast to the decline of 2% last year. The higher level of activity in prospect should be accompanied by a reduction in inflation which would have a beneficial effect on conditions in financial markets. Although a seasonal rise in some interest rates appears likely as the company tax payment period approaches, reduced inflation should engender greater stability in the underlying interest rate structure.

The major point here is that it is vital further progress be made in bringing about a permanently lower rate of inflation; the essential prerequisite for reduced interest rates. The Government can help by cutting back its financial demands on the community, and the unions and wage earners can play their part by ensuring that pressures for excessive wage increases do not develop. Continued large Budget deficits and a blow-out on the wages front

inflation, thereby eliminating any prospect of a further decline in interest rates and choke-off the economic recovery now underway.

Prospects for National Australia Bank Group are favourable. The successful completion of the merger, together with the increase in stockholders' funds arising from the recent share issue, place the Bank in a sound position to take advantage of growth opportunities inherent in the stronger domestic and international economies. Our banking performance during the year ahead will also rely heavily on our ability to maintain interest margins. These are being closely monitored. With respect to finance operations, the merger of the two finance companies and subsequent restructuring should provide tangible benefits during the current year.

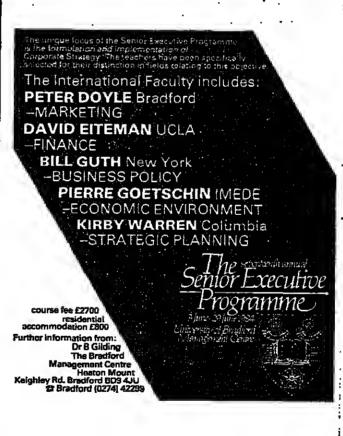
Sir Robert Law-Smith, Chairman of Directors, Melbourne. January 26, 1984.

Summary of Results (year ended September)

Change \$m Group operating profit 149.5 160.9 +**Ž**6 (after tax) 20,517.0 23,283.0 Total Group assets +13.5Dividend per 23c 23c stock unit

National Australia & Bank

390P4007/A



Having cracked it we're celebrating

A Multi-user system A Mutu-user system
A Series 8600 computer needs
only additional screens to grow and
grow, enabling you to retain the
original investment in the system,
whilst upgrading from single to
multi-screen operation.

More cost effective When comparing the low cost of expanding the Series 8600 system to the replacement and/or acquisition cost of further personal computers, you'll discover that the Seiko Series 8500 is the most cost

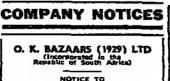
Greater choice of software Series 8600 has been designed to be compatible with the popular industry standard operating systems, which means that you can choose from thousands of software packages.

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Precision & reliability On this Seiko has built its worldwide reputation.



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Olvidend No B1-212%

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Pursuant to the terms and conditions of the Loan, notice & hereby gives to anotholders that, during the theelements better ended January 17. 1984 in the head of the pursuant of the head of the pursuant of the pursuant partial of the January 18. 1984 EURCO 51.280.800.

EUROPEAN INVESTMENT BANK

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